



[Subsidiary of Habib Bank AG Zurich]

HABIBMETRO

FIRST QUARTER REPORT MARCH 2025

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هَذَا فَضْلُكَ

OUR VISION

To be the most respected financial institution
based on trust, service and commitment



OUR VALUES

RESPECT

We respect our heritage, our team's dedication, and our customers' faith in us.

INTEGRITY

We set high professional and ethical standards for ourselves and each other.

TEAMWORK

We play to our strengths and build teams that deliver at the local and global levels.

RESPONSIBILITY

We take responsibility for ourselves, our actions, and always give our best.

COMMITMENT

We are committed to responding to the needs of our customers.

TRUST

We safeguard the trust that our customers place in us, and foster the same with passion.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Mohamedali R. Habib

PRESIDENT & CHIEF EXECUTIVE OFFICER

Khurram Shahzad Khan

DIRECTORS

Ali Abbas Sikander

Hamza Habib

Mohomed Bashir

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

Tahira Raza

BOARD COMMITTEES

AUDIT

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

Tahira Raza

CREDIT

Hamza Habib

Khurram Shahzad Khan

Mohamedali R. Habib

Mohsin A. Nathani

Rashid Ahmed Jafer

HUMAN RESOURCE & REMUNERATION

Mohamedali R. Habib

Mohomed Bashir

Mohsin A. Nathani

Tahira Raza

SHARIAH BOARD

Tan Sri Dr. Mohd. Daud Bakar - Chairman

Mufti Abdul Sattar Laghari - Member

Mufti Khawaja Noor ul Hassan - Resident Member

COMPANY SECRETARY

Ather Ali Khan

REGISTERED OFFICE

Ground Floor, HABIBMETRO Head Office

I. I. Chundrigar Road,

Karachi - 74200, Pakistan

INFORMATION TECHNOLOGY

Ali Abbas Sikander

Hamza Habib

Khurram Shahzad Khan

Mohamedali R. Habib

RISK & COMPLIANCE

Khurram Shahzad Khan

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

Tahira Raza

SHARE REGISTRAR

CDC Share Registrar Services Limited

CDC House, 99-B, Block-B,

S.M.C.H.S., Main Shahra-e-Faisal,

Karachi - 74400

DIRECTORS' REVIEW

On behalf of the Board of Directors of Habib Metropolitan Bank, I am pleased to present the condensed interim un-audited financial statements for the quarter ended March 31, 2025.

During the first quarter under review, Pakistan's economic and financial outlook continued to improve, moving steadily toward stabilization. Fitch Ratings upgraded Pakistan's sovereign credit rating to 'B-' with a stable outlook, citing a current account surplus of USD 1,852 million in the first nine months of FY2025.

On the global front, the new U.S. administration's imposition of trade tariffs has disrupted global trade flows, creating uncertainty for Pakistan's exports to the U.S., though the tariffs have been temporarily suspended. Meanwhile, Pakistan and the IMF reached a staff-level agreement for the release of the second tranche-USD 1 billion-under the USD 7 billion Extended Fund Facility, expected to be disbursed in May 2025. The Pakistani Rupee remained stable, averaging below Rs. 280/USD during the period.

GDP growth for FY2025 is projected between 2.5% and 3.5%. Inflation dropped significantly, reaching 0.7% in March 2025-its lowest level in 30 years-compared to a peak of nearly 38% in May 2023. This decline is attributed to a stable exchange rate, declining global commodity prices, and tight monetary policies. The State Bank of Pakistan (SBP) expects inflation to remain within the 5%-7% range in FY2026, down from its earlier forecast of 11.5%-13.5%.

Remittances hit an all-time high of over USD 4 billion in March 2025. In January 2025, the SBP reduced the policy rate by 100 basis points to 12.00% and maintained this rate in the March 2025 MPC meeting, despite lower-than-expected inflation on the back of stable food and energy prices.

By the Grace of Allah, HABIBMETRO posted a profit before tax of Rs. 12,962 million for Q1 2025, with earnings per share after tax of Rs. 5.78. Net mark-up income stood at Rs. 17,634 million, while non-mark-up income increased by 44.9% to Rs. 5,406 million. The Bank's investments stood at Rs. 755,047 million, while net advances increased by 26.6% to Rs. 600,270 million. Deposits grew by 9.1% to Rs. 1,011,246 million, with current deposits comprising 39.6% of the total.

The Bank's net equity stood at Rs. 114,879 million, while the Capital Adequacy Ratio (CAR) remained strong at 16.55%.

The Board of Directors is pleased to announce an interim cash dividend of Rs. 2.50 per share (25%) for the quarter ended March 31, 2025.

The Bank's strong credit ratings of AA+ (long-term) and A1+ (short-term) were reaffirmed by the Pakistan Credit Rating Agency Limited (PACRA), reflecting a high degree of credit quality and a strong capacity to meet financial obligations.

HABIBMETRO operates 551 branches in 221 cities across Pakistan, including 223 Islamic banking branches and 190 Islamic banking windows. The Bank continues to offer a comprehensive suite of conventional and Islamic banking products and services under the brand of Sirat.

The Bank remains committed to corporate social responsibility, with a strong focus on healthcare and education, and promotes active employee participation in community-based initiatives.

The Bank also continues to drive its digital transformation strategy, with enhancements to mobile apps, web banking, and card-based services, ensuring a seamless and modern banking experience for its customers.

We extend our sincere gratitude to the State Bank of Pakistan, the Ministry of Finance, and the Securities and Exchange Commission of Pakistan for their ongoing support. We are equally grateful to our valued shareholders and customers for their trust, the Board of Directors for their guidance, and our dedicated staff for their tireless efforts, which remain central to the Bank's continued growth and success.

On behalf of the Board

KHURRAM SHAHZAD KHAN

President & Chief Executive Officer

Karachi: 22 April 2025

حبیب میٹرو پاکستان بھر کے 221 شہروں میں 551 برانچز بشمول 223 اسلامک بینکنگ کی برانچز اور 190 اسلامک بینکنگ ونڈوز کا نیٹ ورک آپریٹ کر رہا ہے۔ بینک مستقل طور پر کنٹینرل اور اسلامک بینکاری کی پروڈکٹس کے ایک جامع مجموعے صراط کے برانڈ کے تحت سروسز کی پیشکش کرتا ہے۔ بینک اپنی کارپوریٹ سماجی ذمہ داریوں سے عہدہ براء ہونے کے لئے کاربند رہے گا اور اس کے ساتھ ہیلتھ کیئر اور تعلیم کے شعبوں پر خصوصی توجہ کے ساتھ سماجی طبقات کی بہبود کے اقدامات میں ملازمین کی موثر شراکت پر خصوصی توجہ دی جاتی رہے گی۔

بینک موبائل ایپس، ویب بینکنگ اور کارڈ کی بنیاد پر سروسز میں توسیع کے ساتھ اپنی ڈیجیٹل ٹرانسفارمیشن اسٹریٹیجی پر بھی توجہ دیتا رہے گا تاکہ اپنے صارفین کے لئے ہموار اور جدید بینکاری کے تجربے کو یقینی بنایا جاسکے۔

ہم اسٹیٹ بینک آف پاکستان، وزارت خزانہ اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی اُن کی مستقبل سرپرستی اور تعاون کیلئے انتہائی شکرگزار ہیں۔ ہم اپنے قابل قدر شیئرز، ہولڈرز اور کسٹمرز کا بھی اُن کے اعتماد، بورڈ آف ڈائریکٹرز کا اُن کی رہنمائی اور حبیب میٹرو بینک کے مخلص اسٹاف کا اُن کی پُر خلوص کاوشوں اور جدوجہد کے لئے شکریہ ادا کرتے ہیں جن کی بدولت بینک مستقل ترقی اور کامیابی کی راہ پر گامزن ہے۔

منجانب بورڈ

خرم شہزاد خان

صدر و چیف ایگزیکٹو آفیسر

کراچی: 22 اپریل 2025

ڈائریکٹرز ریویو

میں نہایت مسرت کے ساتھ حبیب میٹرو پولیٹن بینک کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2025 کو ختم ہونے والی پہلی سہ ماہی کیلئے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کر رہا ہوں۔

زیر جائزہ پہلی سہ ماہی کے دوران پاکستان کا معاشی اور مالیاتی منظر نامہ بہتری کی جانب گامزن رہا اور بتدریج استحکام کی جانب بڑھتا رہا۔ پاکستان کے استحکام کی کریڈٹ ریٹنگ فچ ریٹنگ نے آپ گریڈ کر کے "B"، مستحکم آؤٹ لک کر دی، جس کے ساتھ مالی سال 2025 کے پہلے 9 ماہ میں کرنٹ اکاؤنٹ سرپلس 1,852 ملین امریکی ڈالر ہو گیا۔

عالمی سطح پر پتی امریکی انتظامیہ کی جانب سے لاگو کردہ تجارتی ٹیرف نے عالمی تجارتی سرگرمیوں میں رکاوٹ ڈالی ہے اور اس سے پاکستان کی امریکا کیلئے برآمدات میں بھی غیر یقینی پیدا ہوئی ہے، اگرچہ ٹیرف کو عارضی طور پر معطل کر دیا گیا ہے۔ اسی دوران پاکستان اور آئی ایم ایف کے درمیان 7 بلین امریکی ڈالر کی ایکسیٹنڈڈ فنڈیشنلٹی کے تحت ایک بلین امریکی ڈالر کی دوسری قسط جاری کرنے کے لئے اسٹاف لیول کا معاہدہ ہوا ہے، جس کے بارے میں توقع ہے کہ مئی 2025 تک موصول ہو جائے گا۔ پاکستانی روپیہ بتدریج مستحکم ہو رہا ہے اور اس مدت کے دوران اوسطاً اس کی قدر 280 روپے فی امریکی ڈالر سے نیچے رہی ہے۔

مالی سال 2025 کے لئے جی ڈی پی گروتھ 2.5 فیصد اور 3.5 فیصد کے درمیان رہنے کا امکان ہے۔ مہنگائی کی سطح نمایاں حد تک کم ہوئی اور مارچ 2025 میں 0.7 فیصد پر پہنچ گئی جو گزشتہ 30 سالوں میں کم ترین سطح ہے۔ جبکہ اس کے مقابلے میں یہ مئی 2023 میں گھک 38 فیصد کی بلند ترین سطح پر تھی۔ مہنگائی میں اس کمی کو مستحکم زرمبادلہ کی شرح، عالمی سطح پر اشیائے صرف کے نرخوں میں کمی اور سخت مانیٹری پالیسیوں سے منسوب کیا جاسکتا ہے۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) کو توقع ہے کہ مالی سال 2026 میں مہنگائی کی سطح 5 تا 7 فیصد کی حد میں رہے گی جو اس سے قبل اندازہ لگائی جانے والی شرح 11.5 تا 13.5 فیصد سے کم ہے۔

زرتریسیات نے مارچ 2025 میں 4 بلین امریکی ڈالر کی بلند ترین سطح حاصل کر لی۔ جنوری 2025 میں ایس بی پی نے پالیسی ریٹ میں 100 پیسز پوائنٹس کم کر کے اسے 12.00 فیصد کر دیا تھا اور مارچ 2025 میں ایم پی سی اجلاس میں اس شرح کو برقرار رکھا، جبکہ توقع تھی کہ اشیائے خورد و نوش اور توانائی کے نرخوں کے سبب مہنگائی کم ہونے سے شرح مزید کم ہوگی۔

اللہ تعالیٰ کے فضل و کرم سے حبیب میٹرو نے 2025 کی پہلی سہ ماہی کیلئے 12,962 ملین روپے کا منافع قبل از ٹیکس مع 5.78 روپے کی آمدنی فی شیئر بعد از ٹیکس ظاہر کی۔ خالص مارک آپ کی آمدنی 17,634 ملین روپے پر موجود تھی جبکہ نان مارک آپ آمدنی 44.9 فیصد تک بڑھ کر 5,406 ملین روپے ہو گئی۔ بینک کی سرمایہ کاریاں 755,047 ملین روپے پر موجود تھیں جبکہ خالص ایڈوانسز 26.6 فیصد تک بڑھ کر 600,270 ملین روپے ہو گئے۔ ڈپازٹس مجموعی سطح کے 39.6 فیصد پر مشتمل کرنٹ ڈپازٹس کے ساتھ 9.1 فیصد تک بڑھ کر 1,011,246 ملین روپے پر پہنچ گئے۔ بینک کی خالص ایکویٹی 114,879 ملین روپے پر موجود تھی جبکہ کیپٹل ایکویٹی ریشو (سی اے آر) 16.55 فیصد کی مستحکم سطح پر برقرار تھی۔

بورڈ آف ڈائریکٹرز بمسرت 31 مارچ 2025 کو ختم ہونے والی پہلی سہ ماہی کے لئے 2.50 روپے فی شیئر کے عبوری نقد منافع منقسمہ (25 فیصد) کا اعلان کرتے ہیں۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی جانب سے بینک کی مستحکم کریڈٹ ریٹنگ AA+ (لاگ ٹرم) اور A1+ (شارٹ ٹرم) کی دوبارہ توثیق کی گئی ہے جو کریڈٹ کو ایٹمی کے اعلیٰ پیمانے اور مالیاتی ذمہ داریوں کو پورا کرنے کیلئے مستحکم گنجائش کی عکاسی کرتی ہے۔

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	96,764,944	86,815,817
Balances with other banks	8	2,283,976	6,434,551
Lendings to financial institutions	9	4,161,661	5,570,998
Investments	10	755,046,740	810,875,400
Advances	11	600,270,071	474,300,584
Property and equipment	12	16,957,829	17,046,127
Right-of-use assets	13	8,493,729	8,608,382
Intangible assets	14	428,431	496,214
Deferred tax assets		—	—
Other assets	15	102,766,747	89,985,707
Total Assets		1,587,174,128	1,500,133,780
LIABILITIES			
Bills payable	16	21,655,457	28,478,822
Borrowings	17	339,239,572	330,010,768
Deposits and other accounts	18	1,011,246,102	927,132,777
Lease liabilities	19	10,447,108	10,463,713
Sub-ordinated debts		—	—
Deferred tax liabilities	20	2,737,671	3,077,177
Other liabilities	21	86,969,485	85,938,708
Total Liabilities		1,472,295,395	1,385,101,965
NET ASSETS		114,878,733	115,031,815
REPRESENTED BY			
Share capital		10,478,315	10,478,315
Reserves		35,958,474	35,352,814
Surplus on revaluation of assets - net of tax	22	12,734,993	14,333,684
Unappropriated profit		55,706,951	54,867,002
		114,878,733	115,031,815
CONTINGENCIES AND COMMITMENTS		23	

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS Chief Financial Officer	KHURRAM SHAHZAD KHAN President & Chief Executive Officer	RASHID AHMED JAFER Director	MOHSIN A. NATHANI Director	MOHAMEDALI R. HABIB Chairman
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UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2025

	Note	31 March 2025	31 March 2024
		Rupees in '000	
Mark-up / return / interest earned	25	41,755,369	58,906,837
Mark-up / return / interest expensed	26	(24,120,942)	(42,561,977)
Net mark-up / interest income		17,634,427	16,344,860
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	2,826,260	2,466,270
Dividend income		260,374	207,119
Foreign exchange income		2,008,745	1,300,554
Income / (loss) from derivatives		—	—
Gain / (loss) on securities - net	28	247,151	(268,728)
Net gain / (loss) on derecognition of financial assets measured at amortised cost		—	—
Other income	29	63,222	26,342
Total non mark-up / interest income		5,405,752	3,731,557
Total Income		23,040,179	20,076,417
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	9,136,303	7,338,755
Workers' welfare fund		260,849	238,477
Other charges	31	16,580	71,777
Total non-mark-up / interest expenses		(9,413,732)	(7,649,009)
Profit before credit loss allowance		13,626,447	12,427,408
Credit loss allowance and write offs - net	32	(664,302)	(854,825)
Extra ordinary / unusual items		—	—
PROFIT BEFORE TAXATION		12,962,145	11,572,583
Taxation	33	(6,908,627)	(5,671,249)
PROFIT AFTER TAXATION		6,053,518	5,901,334
		Rupees	
Basic and diluted earnings per share	34	5.78	5.63

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHSIN A. NATHANI
Director

MOHAMEDALI R. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2025

	31 March 2025	31 March 2024
	Rupees in '000	
Profit after taxation	6,053,518	5,901,334
Other comprehensive income		
Items that may be reclassified to profit and loss in subsequent periods:		
Effect of translation of net investment in an offshore branch - net of tax	308	(894)
Movement in surplus / (deficit) on revaluation of debt securities measured at FVOCI - net of tax	(1,410,966)	(125,603)
	(1,410,658)	(126,497)
Items that will not be reclassified to profit and loss in subsequent periods:		
Remeasurement loss on defined benefit obligations - net of tax	(136,583)	(51,153)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	29,958	125,188
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	25,925	—
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	—	—
	(80,700)	74,035
Total comprehensive income	4,562,160	5,848,872

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHSIN A. NATHANI
Director

MOHAMEDALI R. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2025

	Share capital	Reserves					Surplus / (deficit) on revaluation		Un-appropriated profit	Total
		Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property & equipment/ Non-banking assets		
	Rupees in '000									
Balance as at 1 January 2024 (Audited)	10,478,315	11,309	2,550,985	26,115,406	240,361	1,500,000	(1,735,664)	6,369,534	48,021,230	93,551,476
Profit after taxation for the period	-	-	-	-	-	-	-	-	5,901,334	5,901,334
Other comprehensive income - net of tax										
Effect of translation of net investment in an offshore branch - net of tax	-	(894)	-	-	-	-	-	-	-	(894)
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	(125,603)	-	-	(125,603)
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(51,153)	(51,153)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	125,188	-	-	125,188
Total other comprehensive income	-	(894)	-	-	-	-	(415)	-	(51,153)	(52,462)
Gain on sale of equity investments - FVOCI	-	-	-	-	-	-	(151,789)	-	151,789	-
Transfer to statutory reserve	-	-	-	1,180,267	-	-	-	-	(1,180,267)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(40,491)	40,491	-
Transactions with owners, recorded directly in equity										
Final Cash dividend (Rs. 5.50 per share) for the year ended 31 December 2023	-	-	-	-	-	-	-	-	(5,763,073)	(5,763,073)

		Reserves					Surplus / (deficit) on revaluation			
	Share capital	Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property & equipment/ Non-banking assets	Un-appropriated profit	Total
	Rupees in '000									
Balance as at 31 March 2024 (Un-audited)	10,478,315	10,415	2,550,985	27,295,673	240,361	1,500,000	(1,887,868)	6,329,043	47,120,351	93,637,275
Profit after taxation for the period	-	-	-	-	-	-	-	-	18,772,174	18,772,174
Other comprehensive income - net of tax										
Effect of translation of net investment in an offshore branch - net of tax	-	945	-	-	-	-	-	-	-	945
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	7,883,157	-	-	7,883,157
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	169,666	169,666
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	1,759,309	-	-	1,759,309
Movement in surplus / (deficit) on revaluation of property & equipment - net of tax	-	-	-	-	-	-	-	(101,927)	-	(101,927)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	769,953	-	769,953
Total comprehensive income	-	945	-	-	-	-	9,642,466	668,026	169,666	10,481,103
Gain on sale of equity investments - FVOCI	-	-	-	-	-	-	(293,869)	-	293,869	-
Transfer to statutory reserve	-	-	-	3,754,435	-	-	-	-	(3,754,435)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(124,114)	124,114	-
Transactions with owners, recorded directly in equity										
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 31 March 2024	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 June 2024	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 September 2024	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Balance as at 31 December 2024 (Audited)	10,478,315	11,360	2,550,985	31,050,108	240,361	1,500,000	7,460,729	6,872,955	54,867,002	115,031,815

		Reserves					Surplus / (deficit) on revaluation			
	Share capital	Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property & equipment/ Non-banking assets	Un-appropriated profit	Total
	Rupees in '000									
Profit after taxation for the period	-	-	-	-	-	-	-	-	6,053,518	6,053,518
Other comprehensive income - net of tax										
Effect of translation of net investment in an offshore branch - net of tax	-	308	-	-	-	-	-	-	-	308
Movement in surplus / (deficit) on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	(1,410,966)	-	-	(1,410,966)
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(136,583)	(136,583)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	29,958	-	-	29,958
Movement in surplus / (deficit) on revaluation of property & equipment - net of tax	-	-	-	-	-	-	-	25,925	-	25,925
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	308	-	-	-	-	(1,381,008)	25,925	(136,583)	(1,491,358)
Gain on sale of equity investments - FVOCI	-	-	-	-	-	-	(205,917)	-	205,917	-
Transfer to statutory reserve	-	-	-	605,352	-	-	-	-	(605,352)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(37,691)	37,691	-
Transactions with owners, recorded directly in equity										
Final Cash dividend (Rs. 450 per share) for the year ended 31 December 2024	-	-	-	-	-	-	-	-	(4,715,242)	(4,715,242)
Balance as at 31 March 2025 (Un-audited)	10,478,315	11,668	2,550,985	31,655,460	240,361	1,500,000	5,873,804	6,861,189	55,706,951	114,878,733

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED
Director

MOHSIN A. NA
Director

MOHAMEDALI R. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2025

	Note	31 March 2025	31 March 2024
		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		12,962,145	11,572,583
Less: Dividend income		(260,374)	(207,119)
		12,701,771	11,365,464
Adjustments			
Net mark-up / interest income (excluding mark up on lease liability against right-of-use assets)		(17,944,661)	–
Depreciation on property and equipment	30	660,759	558,559
Depreciation on right-of-use assets	30	382,700	371,916
Amortisation	30	67,784	42,436
Markup on lease liability against right-of-use assets	26	310,234	278,205
Credit loss allowance (excluding write offs or recoveries)	32	765,677	854,825
Gain on sale of property and equipment - net	29	(21,297)	(15,735)
Unrealized gain on FVTPL securities	28	34,218	(42,575)
Provision against workers' welfare fund		260,849	238,477
Provision against compensated absences		23,819	23,716
Provision against defined benefit plan		90,955	81,936
		(15,368,963)	2,391,760
		(2,667,192)	13,757,224
(Increase) / decrease in operating assets			
Lendings to financial institutions		1,408,613	(23,686)
Securities classified as FVTPL		(2,776,010)	–
Advances		(127,173,466)	(22,481,194)
Other assets (excluding dividend and non-banking assets)		1,837,755	(3,428,979)
		(126,703,108)	(25,933,859)
Increase / (decrease) in operating liabilities			
Bills payable		(6,823,365)	(10,725,199)
Borrowings from financial institutions		2,463,716	(50,165,332)
Deposits and other accounts		84,113,325	74,381,014
Other liabilities (excluding current taxation)		4,472,968	(11,449,714)
		84,226,644	2,040,769
		(45,143,656)	(10,135,866)
Payment against compensated absences		(10,019)	(6,916)
Contribution to the defined benefit plan		(125,000)	–
Mark-up / Interest received		31,860,727	–
Mark-up / Interest paid		(25,755,173)	–
Income tax paid		(10,895,014)	(7,545,706)
		(50,068,135)	(17,688,488)
Net cash flow used in operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in amortised cost securities		(1,114,820)	(1,688,228)
Net investment in securities classified as FVOCI		56,395,021	27,944,494
Investment in new subsidiary		–	(1,000,000)
Dividend received		254,531	207,119
Investment in property and equipment		(580,866)	(1,081,949)
Investment in intangible assets		–	(54,185)
Proceeds from sale of property and equipment		29,853	21,067
Effect of translation of net investment in an offshore branch		308	(894)
		54,984,027	24,347,424
Net cash flow from investing activities			
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(4,815,261)	(5,763,077)
Payment of lease liability against right-of-use assets		(594,886)	(467,401)
		(5,410,147)	(6,230,478)
Net cash used in financing activities			
(Decrease) / increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		(494,255)	428,458
		86,737,498	111,701,908
Cash and cash equivalents at the end of the period		86,243,243	112,130,366

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS	KHURRAM SHAHZAD KHAN	RASHID AHMED JAFER	MOHSIN A. NATHANI	MOHAMEDALI R. HABIB
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2025

1. STATUS AND NATURE OF BUSINESS

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on 3 August 1992, as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in commercial banking and related services. Its shares are listed on the Pakistan Stock Exchange. The Bank operates 551 (31 December 2024: 551) branches, including 223 (31 December 2024: 223) Islamic banking branches, an offshore branch (Karachi Export Processing Zone branch) and 1 (31 December 2024: 1) sub branch in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the Holding Company with 51% shares in the Bank) which is incorporated in Switzerland.

1.1 The Pakistan Credit Rating Agency Limited (PACRA) has determined the Bank's long term rating as AA+ (31 December 2024: AA+) and short term rating as A1+ (31 December 2024: A1+) dated 31 December 2024.

The registered office of the Bank is situated at Habib Metro Head Office, I.I. Chundrigar Road, Karachi.

2. BASIS OF PREPARATION

2.1 The Bank has controlling interest in First Habib Modaraba, HabibMetro Modaraba Management Company, Habib Metropolitan Financial Services Limited and HabibMetro Exchange Services Limited and is required to prepare consolidated financial statements under the provision of Companies Act 2017. These condensed interim financial statements represent the unconsolidated results of the Bank and separate set of condensed interim consolidated financial statements are also being presented by the Bank.

2.2 Statement of Compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standard for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

The State Bank of Pakistan (SBP) has allowed Islamic banking institutions to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions.

The disclosures and presentation made in these unconsolidated condensed interim financial statements are based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended 31 December 2024.

2.3 Standards, interpretations of and amendments to published approved accounting and reporting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations.

2.4 Standards, interpretations of and amendments to published approved accounting and reporting standards that are not yet effective

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore not detailed in these unconsolidated condensed interim financial statements.

Furthermore, the following standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations of and amendments to:	Effective date (annual periods beginning on or after)
Amendments to IFRS 1 First-time Adoption of International Financial Reporting	1 January 2026
Amendments to IFRS 10 Consolidated Financial Statements	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 & IFRS 7	1 January 2026

The above amendments are not expected to have any material impact on the unconsolidated condensed interim financial statements of the Bank.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in preparation of these unconsolidated condensed interim financial statements are consistent with those as applied in the preparation of unconsolidated annual financial statements of the Bank for the year ended December 31, 2024.

4. BASIS OF MEASUREMENT

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for certain property and equipment and non banking assets acquired in satisfaction of claims which are stated at revalued amounts; certain investments and derivative contracts which have been marked to market and are carried at fair value, obligation in respect of staff retirement benefits and lease liability which have been carried at present value and right of use of assets which are initially measured at an amount equal to corresponding lease liabilities (adjusted for any lease payment and costs) and depreciated over respective lease term.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the unconsolidated audited financial statements for the year ended 31 December 2024.

6. FINANCIAL RISK MANAGEMENT

The financial risk management policies adopted by the Bank are consistent with those disclosed in the unconsolidated audited financial statements for the year ended 31 December 2024.

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		15,627,495	15,321,375
Foreign currencies		1,039,932	1,393,358
		16,667,427	16,714,733
With State Bank of Pakistan in			
Local currency current accounts		54,182,985	46,256,955
Foreign currencies current account		3,029,472	2,321,162
Foreign currencies deposit accounts			
- cash reserve accounts		7,582,535	6,731,041
- deposit account - special cash reserve		13,613,092	12,058,642
		78,408,084	67,367,800
With National Bank of Pakistan in			
Local currency current accounts		1,807,063	2,670,896
Local currency deposit accounts		22,082	47,103
		1,829,145	2,717,999
National Prize Bonds		7,828	16,080
Less: Credit loss allowance held against cash and balances with treasury banks		(147,540)	(795)
Cash and balances with treasury banks - net of credit loss allowance		96,764,944	86,815,817
8. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		6,225	10,050
In deposit accounts		163	108
		6,388	10,158
Outside Pakistan			
In current accounts		2,277,908	6,425,438
Less: Credit loss allowance held against balances with other banks		(320)	(1,045)
Balances with other banks - net of credit loss allowance		2,283,976	6,434,551
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	9.3	4,162,387	5,571,000
Less: Credit loss allowance held against lendings to financial institutions		(726)	(2)
Lendings to financial institutions - net of credit loss allowance		4,161,661	5,570,998
9.1 Particulars of lendings			
In local currency - secured		-	-
In foreign currency - unsecured		4,161,661	5,570,998
		4,161,661	5,570,998

		31 March 2025 (Un-Audited)		31 December 2024 (Audited)	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
Rupees in '000					
9.2 Lendings to FIs - Particulars of credit loss allowance					
Performing	Stage 1	4,162,387	726	5,571,000	2
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		4,162,387	726	5,571,000	2

9.3 These foreign currency lendings carry mark-up rates ranging from 6.25% to 7.25% (31 December 2024: 7.00% to 7.85%) per annum and are due to mature latest by 18 August 2025 (31 December 2024: 18 February 2025).

10. INVESTMENTS

10.1 Investments by type

	31 March 2025 (Un-Audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000								
FVTPL								
Federal government securities	47,531,443	-	(104,365)	47,427,078	42,055,433	-	(10,052)	42,045,381
Non-government debt securities	1,997,589	-	(3,771)	1,993,818	1,997,589	-	(9,249)	1,988,340
Mutual funds	-	-	-	-	2,700,000	-	85,219	2,785,219
Real estate investment trust units	1,814,314	-	1,311,577	3,125,891	1,814,314	-	1,254,365	3,068,679
	51,343,346	-	1,203,441	52,546,787	48,567,336	-	1,320,283	49,887,619
FVOCI								
Federal government securities	585,365,529	-	9,344,059	594,709,588	642,446,225	-	12,480,359	654,926,584
Shares	6,346,785	-	3,303,390	9,650,175	5,287,950	-	3,748,056	9,036,006
Non-government debt securities	9,823,189	(425,977)	(410,357)	8,986,855	9,767,355	(426,154)	(354,523)	8,986,678
	601,535,503	(425,977)	12,237,092	613,346,618	657,501,530	(426,154)	15,873,892	672,949,268
Amortised Cost								
Federal government securities	83,823,385	-	-	83,823,385	83,208,565	-	-	83,208,565
Non-government debt securities	3,500,000	(50)	-	3,499,950	3,000,000	(52)	-	2,999,948
	87,323,385	(50)	-	87,323,335	86,208,565	(52)	-	86,208,513
	1,830,000	-	-	1,830,000	1,830,000	-	-	1,830,000
Subsidiaries								
Total investments	742,032,234	(426,027)	13,440,533	755,046,740	794,107,431	(426,206)	17,194,175	810,875,400

31 March 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000	

10.1.1 Investments given as collateral against repo borrowings

The market value of investments given as collateral against borrowings is as follows:

Federal government securities

Market treasury bills	23,475,243	34,402,365
Pakistan investment bonds	205,348,279	191,534,393
	228,823,522	225,936,758

10.2 Credit loss allowance for diminution in value of investments

Opening balance	426,206	307,290
Impact of reclassification on adoption of IFRS 9	-	(219,607)
Impact of ECL recognised on adoption of IFRS 9	-	578
Charge for the period / year	-	337,945
Reversal for the period / year	(179)	-
Net (reversal) / charge for the period / year	(179)	337,945
Reversal on disposal	-	-
Investment written off	-	-
Closing balance	426,027	426,206

10.3 Particulars of credit loss allowance against debt securities

		31 March 2025 (Un-Audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		Rupees in '000			
Category of classification					
Performing	Stage 1	6,500,000	2,666	6,000,000	2,843
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		423,361	423,361	423,363	423,363
		423,361	423,361	423,363	423,363
Total		6,923,361	426,027	6,423,363	426,206

10.4 Investment in subsidiaries - incorporated in Pakistan

31 March 2025 (Un-Audited)							
	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total Comprehensive income for the period
Rupees in '000							
Subsidiaries							
Habib Metropolitan Financial Services Limited	Pakistan	100%	552,937	230,672	29,057	(7,709)	(12,535)
Habib Metropolitan Modaraba Management Company (Private) Limited	Pakistan	100%	877,007	15,312	31,318	19,860	35,155
First Habib Modaraba (FHM)	Pakistan	5.43%	32,736,963	26,797,446	1,090,763	244,508	256,565
HabibMetro Exchange Services Limited	Pakistan	100%	1,036,888	35,415	30,190	(17,137)	(17,137)
31 December 2024 (Audited)							
	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total Comprehensive income for the year
Rupees in '000							
Subsidiaries							
Habib Metropolitan Financial Services Limited	Pakistan	100%	600,488	265,997	99,516	(4,200)	24,774
Habib Metropolitan Modaraba Management Company (Private) Limited	Pakistan	100%	843,479	17,956	168,034	128,620	184,084
First Habib Modaraba (FHM)	Pakistan	5.43%	30,500,563	24,773,681	5,430,581	972,084	1,001,161
HabibMetro Exchange Services Limited	Pakistan	100%	1,054,315	35,038	166,594	19,277	19,277

10.5 The market value of federal government securities classified as amortised cost is Rs. 86,300,508 thousand (31 December 2024: 85,407,793 thousand).

11. ADVANCES

	Performing		Non Performing		Total	
	31 March 2025 (Un-Audited)	31 December 2024 (Audited)	31 March 2025 (Un-Audited)	31 December 2024 (Audited)	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000						
Loans, cash credits, running finances, etc.	358,718,531	329,647,770	19,521,310	19,153,873	378,239,841	348,801,643
Islamic financing and related assets	184,279,689	92,867,464	3,097,689	3,139,699	187,377,378	96,007,163
Bills discounted and purchased	62,088,781	56,120,236	2,667,666	2,873,698	64,756,447	58,993,934
Advances - gross	605,087,001	478,635,470	25,286,665	25,167,270	630,373,666	503,802,740
Credit loss allowance against advances						
Stage 1	(794,249)	(853,418)	—	—	(794,249)	(853,418)
Stage 2	(4,172,016)	(4,527,310)	—	—	(4,172,016)	(4,527,310)
Stage 3	—	—	(25,137,330)	(24,121,428)	(25,137,330)	(24,121,428)
	(4,966,265)	(5,380,728)	(25,137,330)	(24,121,428)	(30,103,595)	(29,502,156)
Advances - net of credit loss allowance	600,120,736	473,254,742	149,335	1,045,842	600,270,071	474,300,584

11.1 Particulars of advances - gross

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
In local currency	519,818,208	386,583,391
In foreign currencies	110,555,458	117,219,349
	<u>630,373,666</u>	<u>503,802,740</u>

11.2 Advances include Rs. 25,286,665 thousand (31 December 2024: Rs. 25,167,270 thousand) which have been placed under non-performing / Stage 3 status as detailed below:

	31 March 2025 (Un-Audited)		31 December 2024 (Audited)	
	Non-performing loans	Credit loss allowance	Non-performing loans	Credit loss allowance
	Rupees in '000			
Category of classification				
Domestic				
Other asset especially mentioned	-	-	-	-
Substandard	3,559	-	475,602	270,348
Doubtful	-	-	1,901,249	1,190,825
Loss	25,283,106	25,137,330	22,790,419	22,660,255
	<u>25,286,665</u>	<u>25,137,330</u>	<u>25,167,270</u>	<u>24,121,428</u>

11.3 Particulars of credit loss allowance against advances

	31 March 2025 (Unaudited)			31 December 2024 (Audited)			
	Stage 3	Stage 1 & 2	Total	Specific/Stage 3	Stage 1 & 2	General	Total
	Rupees in '000						
Opening balance	24,121,428	5,380,728	29,502,156	19,273,580	-	7,325,642	26,599,222
Impact of adoption of IFRS 9 as of 1 January 2024	-	-	-	494,694	4,282,512	(5,963,784)	(1,186,578)
Charge for the period / year	1,223,285	737,174	1,960,459	5,817,144	3,636,187	-	9,453,331
Reversals for the period / year	(207,383)	(1,151,637)	(1,359,020)	(1,439,152)	(2,537,971)	(1,361,858)	(5,338,981)
Net charge for the period / year	1,015,902	(414,463)	601,439	4,377,992	1,098,216	(1,361,858)	4,114,350
Amount written off	-	-	-	(24,838)	-	-	(24,838)
Closing balance	<u>25,137,330</u>	<u>4,966,265</u>	<u>30,103,595</u>	<u>24,121,428</u>	<u>5,380,728</u>	<u>-</u>	<u>29,502,156</u>

11.4 Consideration of forced sales value (FSV) for the purposes of provisioning against non-performing loans

During the current period, the Bank decided to not to avail the benefit of Forced Sales Value (FSV) against non-performing loans, as available under BSD Circular No. I of 21 October 2011 issued by the SBP.

11.5 Advances - Particulars of credit loss allowance

	31 March 2025 (Un-Audited)			31 December 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000					
11.5.1 Opening balance	853,418	4,527,310	24,121,428	–	–	–
Impact of adoption of IFRS 9	–	–	–	2,227,772	2,054,740	19,768,274
New advances	150,067	560,862	897,835	236,843	3,037,877	271,322
Advances derecognised or repaid	(182,702)	(910,747)	(207,383)	(1,292,683)	(524,860)	(1,413,187)
Transfer to stage 1	–	–	–	10,281	(10,281)	–
Transfer to stage 2	(26,244)	26,244	–	(325,222)	351,186	(25,964)
Transfer to stage 3	(290)	(31,653)	31,943	(3,573)	(384,947)	388,520
	(59,169)	(355,294)	722,395	(1,374,354)	2,468,975	(779,309)
Amounts written off / charged off	–	–	–	–	–	(24,838)
Changes in risk parameters	–	–	293,507	–	3,595	5,157,301
Closing balance	794,249	4,172,016	25,137,330	853,418	4,527,310	24,121,428

31 March 2025 (Un-Audited)		31 December 2024 (Audited)	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
Rupees in '000			

11.5.2 Advances - Category of classification

Domestic

Performing	Stage 1	516,823,451	794,249	413,742,038	853,418
Underperforming	Stage 2	88,263,550	4,172,016	64,893,432	4,527,310
Non-Performing	Stage 3	–	–	–	–
Other assets especially mentioned		–	–	–	–
Substandard		3,559	–	475,602	270,348
Doubtful		–	–	1,901,249	1,190,825
Loss		25,283,106	25,137,330	22,790,419	22,660,255
		25,286,665	25,137,330	25,167,270	24,121,428
Total		630,373,666	30,103,595	503,802,740	29,502,156

Note
31 March 2025
(Un-Audited)
31 December 2024
(Audited)

Rupees in '000

12. PROPERTY AND EQUIPMENT

Capital work-in-progress	12.1	604,956	646,639
Property and equipment		16,352,873	16,399,488
		16,957,829	17,046,127

12.1 Capital work-in-progress

Civil works		365,669	265,241
Advance to suppliers	12.1.1	239,287	381,398
		604,956	646,639

12.1.1 This represents advance against renovation being carried out at various locations.

31 March 2025 31 March 2024

(Un-Audited)

Rupees in '000

12.2 Additions to property and equipment

The following additions have been made to property and equipment during the period:

Capital work-in-progress additions / (transfer to property and equipment) - net

(41,683)

83,841

Property and equipment

Furniture and fixture

48,338

43,468

Electrical, office and computer equipment

503,027

834,739

Vehicles

4,479

13,523

Lease hold improvements

66,705

106,765

622,549

998,495

Total

580,866

1,082,336

12.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Furniture and fixture

42

244

Electrical, office and computer equipment

396

384

Vehicles

8,118

4,704

Total

8,556

5,332

31 March 2025

31 December 2024

(Un-Audited)

(Audited)

Rupees in '000

13. RIGHT-OF-USE ASSETS

Cost

13,419,612

12,452,599

Accumulated Depreciation

(4,811,230)

(4,851,146)

Net Carrying amount at January 1

8,608,382

7,601,453

Additions during the period / year

268,047

2,625,820

Termination / maturities during the period / year - Cost

(39,276)

(1,658,807)

Termination / maturities during the period / year - Accumulated Depreciation

39,276

1,582,770

Depreciation Charge for the period / year

(382,700)

(1,542,854)

Closing carrying amount as at the end of the period / year

8,493,729

8,608,382

14. INTANGIBLE ASSETS

Computer Software

428,431

496,214

31 March 2025

31 March 2024

(Un-Audited)

Rupees in '000

14.1 Additions to intangible assets

Directly purchased - computer software

-

54,185

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
————— Rupees in '000 —————			
15. OTHER ASSETS			
Income / mark-up / profit accrued in local currency - net		39,739,302	29,923,592
Income / mark-up / profit accrued in foreign currencies - net		476,781	397,849
Advances, deposits, advance rent and other prepayments		995,078	846,260
Dividend receivable		5,843	—
Non-banking assets acquired in satisfaction of claim		2,204,729	2,204,729
Mark-to-market gain on forward foreign exchange contracts		1,671,610	3,974,963
Acceptances		46,225,101	42,480,848
Receivable from the SBP against encashment of government securities		8,341	23,182
Stationery and stamps on hand		369,388	339,127
Receivable from 1Link		—	2,183,238
Deferred cost on staff loans		5,906,329	4,857,532
Others		3,556,856	1,072,258
		101,159,358	88,303,578
Credit loss allowance / provision held against other assets	15.1	(487,722)	(412,982)
Other Assets (Net of credit loss allowance)		100,671,636	87,890,596
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		2,095,111	2,095,111
Other assets - Total		102,766,747	89,985,707
15.1 Credit loss allowance held against other assets			
Claims receivable against fraud and forgeries		394,816	394,816
Acceptances		92,906	18,166
		487,722	412,982
15.1.1 Movement in Credit loss allowance held against other assets			
Opening balance		412,982	375,000
Impact of adoption of IFRS 9		—	88,854
Charge for the period / year		74,740	19,816
Reversal for the period / year		—	(70,688)
Net charge / (reversal) for the period / year		74,740	(50,872)
Closing balance		487,722	412,982

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
16. BILLS PAYABLE		
In Pakistan	21,556,438	28,378,790
Outside Pakistan	99,019	100,032
	21,655,457	28,478,822
17. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	60,874,588	59,242,166
Long term financing facility - renewable energy scheme	2,077,827	2,177,048
Long term financing facility	14,579,102	15,438,369
Temporary economic refinance facility	18,925,029	19,682,235
Long term financing facility - for storage of agricultural produce scheme	788,266	750,064
Refinance facility for modernization of SME	191,688	219,918
Refinance facility for combating COVID-19	16,103	18,881
Refinance and credit guarantee scheme for women entrepreneurs	57,424	59,816
	97,510,027	97,588,497
Repurchase agreement borrowings (Repo) - secured	228,776,008	225,809,401
Total secured	326,286,035	323,397,898
Unsecured		
Call borrowing	—	100,000
Overdrawn nostro accounts	12,953,537	6,512,870
Total unsecured	12,953,537	6,612,870
Total Borrowings	339,239,572	330,010,768

18. DEPOSITS AND OTHER ACCOUNTS

	31 March 2025 (Un-Audited)			31 December 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits	327,740,441	64,637,814	392,378,255	335,607,455	64,648,144	400,255,599
Savings deposits	325,837,396	15,816,143	341,653,539	293,241,677	16,914,294	310,155,971
Term deposits	98,718,913	80,265,317	178,984,230	120,938,951	47,383,383	168,322,334
Others	37,562,166	80,709	37,642,875	29,656,415	240,192	29,896,607
	789,858,916	160,799,983	950,658,899	779,444,498	129,186,013	908,630,511
Financial institutions						
Current deposits	7,062,131	1,098,779	8,160,910	3,150,604	1,510,900	4,661,504
Savings deposits	51,219,043	—	51,219,043	12,587,401	—	12,587,401
Term deposits	1,184,648	22,602	1,207,250	1,230,888	22,473	1,253,361
Others	—	—	—	—	—	—
	59,465,822	1,121,381	60,587,203	16,968,893	1,533,373	18,502,266
	849,324,738	161,921,364	1,011,246,102	796,413,391	130,719,386	927,132,777

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
19. LEASE LIABILITIES		
Opening Balance	10,463,713	9,051,378
Addition during the period / year	268,047	2,625,820
Deletion during the period / year	—	(97,017)
Lease payments including interest	(594,886)	(2,315,877)
Interest expense	310,234	1,199,409
Closing balance	10,447,108	10,463,713
19.1. Liabilities Outstanding		
Not later than one year	1,114,585	1,045,765
Later than one year and upto five years	5,257,060	5,172,701
Over five years	4,075,463	4,245,247
Total as at the period / year end	10,447,108	10,463,713

Aggregate 12.35% (31 December 2024: 12.38%) is used as discounting factor for the calculation of lease liability.

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
20. DEFERRED TAX LIABILITIES / (ASSETS)		
Deductible temporary differences on		
- Credit loss allowance for diminution in value of investments	(221,534)	(225,889)
- Credit loss allowance against advances	(3,712,143)	(5,629,063)
- Credit loss allowance - Others	(476,872)	(419,319)
- Accelerated tax depreciation	(456,213)	(404,683)
- Deferred liability on defined benefit plan	(66,091)	(31,024)
- (Deficit) / surplus on revaluation of investments	6,363,288	8,413,163
	1,430,435	1,703,185
Taxable temporary differences on		
Surplus on revaluation of:		
- Property and equipment	1,307,236	1,373,992
- Non-banking assets	—	—
	1,307,236	1,373,992
	2,737,671	3,077,177

	Note	31 March 2024 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
21. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		13,766,244	15,426,508
Mark-up / return / interest payable in foreign currencies		689,399	973,600
Unearned commission and income on bills discounted		1,077,867	1,016,338
Accrued expenses		2,731,809	2,743,998
Current taxation (provision less payments)		724,841	6,221,510
Acceptances		46,225,101	42,480,848
Unclaimed dividend		84,903	184,922
Branch adjustment account		11,970	8,944
Mark-to-market loss on forward foreign exchange contracts		1,789,153	3,275,493
Provision for compensated absences		370,693	356,893
Deferred liability on defined benefit plan		254,198	117,071
Credit loss allowance against off-balance sheet obligations	21.1	296,816	353,883
Workers' welfare fund	21.2	5,155,850	4,895,001
Charity fund		1,444	458
Excise duty payable		2,257	2,920
Locker deposits		977,194	965,722
Advance against diminishing musharaka		357,693	7,693
Advance rental for ijarah		23,226	19,695
Security deposits against leases / ijarah		189,827	197,598
Sundry creditors		4,418,046	4,011,907
Withholding tax / duties		1,038,770	1,496,718
Deferred grant income		132,116	147,275
Others		6,650,068	1,033,713
		86,969,485	85,938,708

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	353,883	32,583
Impact of adoption of IFRS 9	—	519,290
Charge for the period / year	—	—
Reversal for the period / year	(57,067)	(197,990)
Net reversal for the period / year	(57,067)	(197,990)
Closing balance	296,816	353,883

21.2 Under the Workers' Welfare Ordinance 1971, the Bank is liable to pay workers' welfare fund (WWF) @ 2% of accounting profit before tax or taxable income, whichever is higher. The Bank has made full provision for WWF based on profit for the respective years.

The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of WWF were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgement may not currently be treated as conclusive. Accordingly the Bank maintains its provision in respect of WWF.

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI-Debt	10.1	8,933,702	12,125,836
- Securities measured at FVOCI-Equity	10.1	3,303,390	3,748,056
- Property and Equipment		6,073,314	6,151,836
- Non-banking assets acquired in satisfaction of claims		2,095,111	2,095,111
		20,405,517	24,120,839
Less: Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI-Debt		4,645,525	6,426,693
- Securities measured at FVOCI-Equity		1,717,763	1,986,470
- Property and Equipment		1,307,236	1,373,992
- Non-banking assets acquired in satisfaction of claims		-	-
		(7,670,524)	(9,787,155)
		12,734,993	14,333,684
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	156,426,329	152,625,779
Commitments	23.2	891,348,983	778,364,854
Other contingent liabilities	23.3	2,986,394	2,986,394
		1,050,761,706	933,977,027
23.1 Guarantees			
Financial guarantees		33,415,581	33,303,405
Performance guarantees		55,952,831	55,070,186
Other guarantees		67,057,917	64,252,188
		156,426,329	152,625,779
23.2 Commitments			
Documentary credits and short-term trade-related transactions:			
Letters of credit		266,748,699	229,691,020
Commitments in respect of:			
Forward foreign exchange contracts	23.2.1	623,410,267	547,663,058
Forward lendings	23.2.2	441,500	388,000
Commitments for:			
Acquisition of property and equipment		748,517	622,776
		891,348,983	778,364,854

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
23.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	323,624,664	260,615,930
Sale	299,785,603	287,047,128
	623,410,267	547,663,058

23.2.2 Commitments in respect of forward lendings

The Bank has made commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn, except for:

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
Commitments in respect of syndicate financing		441,500	388,000

23.3 Other contingent liabilities

Claims against bank not acknowledged as debt	23.3.1	2,880,338	2,880,338
Foreign Exchange repatriation case	23.3.2	106,056	106,056
		2,986,394	2,986,394

23.3.1 These mainly represent counter claims by borrowers for damages. Based on legal advice and internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these unconsolidated condensed interim financial statements.

23.3.2 Foreign exchange repatriation case

While adjudicating foreign exchange repatriation cases of exporters, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has adjudicated penalty of Rs.106.056 million, arbitrarily on the Bank. The Bank had filed appeal before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgment. The Honorable High Court has dismissed the matter. Subsequently, the Bank has filed counter appeal with the Supreme Court of Pakistan.

24. DERIVATIVE FINANCIAL INSTRUMENTS

The Bank deals in derivative financial instruments namely forward foreign exchange contracts and foreign currency swaps with the principal view of hedging the risks arising from its trade business.

As per the Bank's policy, these contracts are reported on their fair value at the statement of financial position date. The gains and losses from revaluation of these contracts are included under "Foreign exchange income". Mark to market gains and losses on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

These products are offered to the Bank's customers to protect from unfavorable movements in foreign currencies. The Bank hedges such exposures in the inter-bank foreign exchange market.

These positions are reviewed on a regular basis by the Bank's Asset and Liability Committee (ALCO).

24.1 Product Analysis

Counter Parties	Forward foreign exchange contracts			
	31 March 2025 (Un-Audited)		31 December 2024 (Audited)	
	Notional Principal	Mark to Market Gain / (Loss)	Notional Principal	Mark to Market Gain / (Loss)
	Rupees in '000			
Banks				
Hedging	495,910,634	(437,475)	435,802,474	2,193,620
Other Entities				
Hedging	127,499,633	319,932	111,860,584	(1,494,150)
Total				
Hedging	623,410,267	(117,543)	547,663,058	699,470

Note 31 March 2025 31 March 2024
(Un-Audited)
Rupees in '000

25. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	25.1	14,567,862	17,918,159
Investments		26,099,354	40,255,390
Lending with financial institutions		1,087,683	731,926
Balances with banks		470	1,362
		41,755,369	58,906,837

25.1 Interest income (calculated using effective interest rate method) recognised on:

Financial assets measured at amortised cost	2,647,055	3,508,938
Financial assets measured at fair value through P&L	1,778,786	610,318
Financial assets measured at fair value through OCI	21,673,513	36,136,134
	26,099,354	40,255,390

26. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	13,756,148	29,712,650
Borrowings	9,310,675	11,192,597
Cost of foreign currency swaps against foreign currency deposits / borrowings	743,885	1,378,525
Lease liability against right-of-use assets	310,234	278,205
	24,120,942	42,561,977

27. FEE & COMMISSION INCOME

Branch banking customer fees	361,561	317,382
Credit related fees	11,661	12,204
Card related fees	312,513	275,289
Commission on trade	1,681,274	1,524,172
Commission on guarantees	304,504	237,568
Commission on remittances including home remittances	33,797	12,518
Commission on bancassurance	43,531	40,461
Commission on cash management	48,355	41,495
Investment Banking Fee	14,973	84
Others	14,091	5,097
	2,826,260	2,466,270

	Note	31 March 2025 (Un-Audited)	31 March 2024 (Un-Audited)
		Rupees in '000	
28. GAIN / (LOSS) ON SECURITIES - NET			
Realised	28.1	281,369	(311,303)
Unrealised - Measured at FVTPL		(34,218)	42,575
		247,151	(268,728)
28.1 Realised gain / (loss) on:			
Federal government securities - net		183,394	(311,303)
Real estate investment trust - net		97,975	-
		281,369	(311,303)
28.2 Net gain / (loss) on financial assets / liabilities measured at FVTPL:			
Designated upon initial recognition		-	-
Mandatorily measured at FVTPL		256,836	(525,090)
		256,836	(525,090)
Net gain on financial assets / liabilities measured at amortised cost		-	-
Net (loss) / gain on financial assets measured at FVOCI		(9,685)	256,362
Net gain on investments in equity instruments designated at FVOCI		-	-
		(9,685)	256,362
		247,151	(268,728)
29. OTHER INCOME			
Rent on properties		11,289	7,335
Gain on sale of property and equipment - net		21,297	15,735
Gain on sale of ijarah assets - net		30,616	3,014
Staff notice period and other recoveries		20	258
		63,222	26,342

	31 March 2025	31 March 2024
	(Un-Audited)	
	Rupees in '000	
30. OPERATING EXPENSES		
Total compensation expense	3,741,870	2,963,035
Property expense		
Rent & taxes	15,785	44,319
Insurance	4,998	6,421
Utilities cost	304,932	371,959
Security	357,712	256,901
Repair & maintenance	321,046	218,927
Depreciation on property and equipment	270,112	241,979
Depreciation on right-of-use assets	382,700	371,916
	1,657,285	1,512,422
Information technology expenses		
Software maintenance	381,967	179,390
Hardware maintenance	108,717	107,840
Depreciation	155,151	119,135
Amortisation	67,784	42,436
Network charges	123,580	42,367
	837,199	491,168
Other operating expenses		
Directors' fees and allowances	5,900	4,600
Fees and allowances to Shariah Board	11,090	9,018
Legal & professional charges	74,942	90,436
Outsourced services costs	131,393	87,055
Travelling & conveyance	202,833	201,844
NIFT clearing charges	38,481	24,050
Depreciation	235,496	197,445
Training & development	27,977	7,853
Postage & courier charges	48,103	49,297
Communication	234,445	175,309
Subscription	256,212	205,548
Repair & maintenance	73,094	78,568
Brokerage & commission	40,911	31,195
Stationery & printing	110,512	153,350
Marketing, advertisement & publicity	126,304	231,293
Management fee	409,005	135,902
Insurance	379,080	286,958
Donations	131,650	140,688
Auditors' Remuneration	15,051	9,000
Security	121,722	105,362
Others	225,748	147,359
	2,899,949	2,372,130
	9,136,303	7,338,755

	Note	31 March 2025 (Un-Audited)	31 March 2024
		Rupees in '000	
31. OTHER CHARGES			
Penalties imposed by the SBP		<u>16,580</u>	<u>71,777</u>
32. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
Credit loss allowance against cash and balances with banks		146,020	121,420
Credit loss allowance against lendings to financial institutions		724	1,424
Credit loss allowance for diminution in value of investments	10.2	(179)	254,591
Credit loss allowance against loans & advances	11.3	601,439	676,569
Credit loss allowance against other assets		74,740	30,945
Credit loss allowance against other liabilities		(57,067)	(230,124)
Recovery of written off / charged off bad debts		(101,375)	-
		<u>664,302</u>	<u>854,825</u>
33. TAXATION			
Current		5,137,268	5,078,743
Deferred		1,771,359	592,506
		<u>6,908,627</u>	<u>5,671,249</u>
34. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation		<u>6,053,518</u>	<u>5,901,334</u>
		Number in '000	
Weighted average number of ordinary shares		<u>1,047,831</u>	<u>1,047,831</u>
		Rupees	
Basic and diluted earnings per share		<u>5.78</u>	<u>5.63</u>

35. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investment in subsidiaries and those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

The fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings are frequently repriced.

35.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

On balance sheet financial instruments

31 March 2025 (Un-Audited)				
Fair value				
Level 1	Level 2	Level 3	Total	
Rupees in '000				
Financial assets measured at fair value				
Investments				
Federal Government securities	80,049,500	562,087,166	–	642,136,666
Non Government debt securities	–	10,980,673	–	10,980,673
Shares - Listed companies	9,598,606	–	–	9,598,606
Real estate investment trust	3,125,891	–	–	3,125,891

Financial assets - disclosed but not measured at fair value

Investments				
Federal Government securities	–	86,300,508	–	86,300,508
Non Government debt securities	–	–	3,499,950	3,499,950
Shares - Unlisted companies	–	–	51,569	51,569
	<u>92,773,997</u>	<u>659,368,347</u>	<u>3,551,519</u>	<u>755,693,863</u>

Off-balance sheet financial instruments measured at fair value

Forward purchase of foreign exchange contracts	–	323,785,933	–	323,785,933
Forward sale of foreign exchange contracts	–	299,506,792	–	299,506,792

On balance sheet financial instruments

31 December 2024 (Audited)

Fair value			
Level 1	Level 2	Level 3	Total
Rupees in '000			

Financial assets measured at fair value

Investments

Federal Government securities	74,378,500	622,593,465	–	696,971,965
Non Government debt securities	–	10,975,018	–	10,975,018
Shares - Listed companies	8,984,437	–	–	8,984,437
Mutual funds	2,785,219	–	–	2,785,219
Real estate investment trust	3,068,679	–	–	3,068,679

Financial assets - disclosed but not measured at fair value

Investments

Federal Government securities	–	85,407,793	–	85,407,793
Non Government debt securities	–	–	2,999,948	2,999,948
Shares - Unlisted companies	–	–	51,569	51,569
	<u>89,216,835</u>	<u>718,976,276</u>	<u>3,051,517</u>	<u>811,244,628</u>

Off-balance sheet financial instruments measured at fair value

Forward purchase of foreign exchange contracts

–	257,959,904	–	257,959,904
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Forward sale of foreign exchange contracts

–	290,402,624	–	290,402,624
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35.2 Fair value of non-financial assets

31 March 2025 (Un-Audited)

Fair value			
Level 1	Level 2	Level 3	Total
Rupees in '000			

Non-financial assets measured at fair value

– Property and equipment	–	10,421,041	–	10,421,041
– Non-banking assets acquired in satisfaction of claim	–	4,299,840	–	4,299,840
	<u>–</u>	<u>14,720,881</u>	<u>–</u>	<u>14,720,881</u>

31 December 2024 (Audited)

Fair value			
Level 1	Level 2	Level 3	Total
Rupees in '000			

Non-financial assets measured at fair value

– Property and equipment	–	10,015,686	–	10,015,686
– Non-banking assets acquired in satisfaction of claim	–	4,299,840	–	4,299,840
	–	14,315,526	–	14,315,526

Valuation techniques used in determination of fair valuation of financial instruments within level 2.

Federal government debt securities	The fair value of government securities are valued using PKRV, PKFRV, PKISRV and PSX rates.
Debt securities other than federal government securities	The fair value is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuters website and PSX.
Forward contracts	The fair values are derived using forward exchange rates applicable to their respective remaining maturities.
Mutual funds	The fair value is determined based on the net asset values published at the close of each business day.

Valuation techniques used in determination of fair values of non-financial assets within level 3.

Property and equipment and non-banking assets acquired in satisfaction of claim	<p>Property and equipment and non-banking assets are valued by professionally qualified valuers. The valuation is based on their assessment of the market value of the assets. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 2 valuation based on significant non-observable inputs being the location and condition of the assets.</p> <p>The fair value is subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.</p>
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36. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	31 March 2025 (Un-Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Profit and loss account					
Net mark-up / return / profit	14,945,770	(5,377,612)	3,251,819	4,814,450	17,634,427
Inter segment revenue - net	(12,515,559)	9,385,456	3,130,103	-	-
Non mark-up / return / interest income	2,322,012	345,594	2,227,333	510,813	5,405,752
Total Income	4,752,223	4,353,438	8,609,255	5,325,263	23,040,179
Segment direct expenses	(151,302)	-	-	-	(151,302)
Inter segment expense allocation	-	(2,149,485)	(4,629,976)	(2,482,969)	(9,262,430)
Total expenses	(151,302)	(2,149,485)	(4,629,976)	(2,482,969)	(9,413,732)
Credit loss allowance	179	(10,128)	(978,658)	324,305	(664,302)
Profit before tax	4,601,100	2,193,825	3,000,621	3,166,599	12,962,145
Statement of financial position					
Cash and bank balances	2,284,296	24,103,741	51,680,936	20,979,947	99,048,920
Investments	615,679,280	-	-	139,367,460	755,046,740
Net inter segment lending	-	378,256,708	33,724,535	-	411,981,243
Lendings to financial institutions	4,161,661	-	-	-	4,161,661
Advances - performing	-	10,942,230	409,865,082	184,279,689	605,087,001
Advances - non-performing	-	336,133	21,852,843	3,097,689	25,286,665
Credit loss allowance against advances	-	(589,199)	(24,177,060)	(5,337,336)	(30,103,595)
Others	26,442,366	7,643,282	76,865,402	17,695,686	128,646,736
Total assets	648,567,603	420,692,895	569,811,738	360,083,135	1,999,155,371
Borrowings	241,729,545	-	67,988,851	29,521,176	339,239,572
Deposits and other accounts	-	376,615,264	399,841,314	234,789,524	1,011,246,102
Net inter segment borrowing	362,981,243	-	-	49,000,000	411,981,243
Others	8,807,859	13,465,436	67,527,395	32,009,031	121,809,721
Total liabilities	613,518,647	390,080,700	535,357,560	345,319,731	1,884,276,638
Net assets	35,048,956	30,612,195	34,454,178	14,763,404	114,878,733
Equity					114,878,733
Contingencies and commitments	623,410,267	-	384,273,324	43,078,115	1,050,761,706

31 March 2024 (Un-Audited)					
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Profit and loss account					
Net mark-up / return / profit	32,761,119	(14,496,522)	(5,396,849)	3,477,112	16,344,860
Inter segment revenue - net	(31,681,561)	19,259,215	12,422,346	–	–
Non mark-up / return / interest income	1,491,853	247,192	1,829,288	163,224	3,731,557
Total Income	2,571,411	5,009,885	8,854,785	3,640,336	20,076,417
Segment direct expenses	(83,036)	–	–	–	(83,036)
Inter segment expense allocation	–	(1,933,221)	(4,277,268)	(1,355,484)	(7,565,973)
Total expenses	(83,036)	(1,933,221)	(4,277,268)	(1,355,484)	(7,649,009)
Credit loss allowance	20,376	(236)	(1,425,760)	550,795	(854,825)
Profit before tax	2,508,751	3,076,428	3,151,757	2,835,647	11,572,583
31 December 2024 (Audited)					
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Statement of financial position					
Cash and bank balances	6,435,596	25,145,136	46,698,111	14,971,525	93,250,368
Investments	663,854,898	–	–	147,020,502	810,875,400
Net inter segment lending	–	379,807,962	27,488,264	–	407,296,226
Lendings to financial institutions	5,570,998	–	–	–	5,570,998
Advances - performing	–	15,855,835	369,912,171	92,867,464	478,635,470
Advances - non-performing	–	336,133	21,691,438	3,139,699	25,167,270
Credit loss allowance against advances	–	(603,370)	(23,237,144)	(5,661,642)	(29,502,156)
Others	21,655,600	11,816,263	64,547,414	18,117,153	116,136,430
Total assets	697,517,092	432,357,959	507,100,254	270,454,701	1,907,430,006
Borrowings	232,422,271	–	68,693,948	28,894,549	330,010,768
Deposits and other accounts	–	374,480,521	347,257,208	205,395,048	927,132,777
Net inter segment borrowing	407,296,226	–	–	–	407,296,226
Others	3,687,896	18,151,910	87,224,985	18,893,629	127,958,420
Total liabilities	643,406,393	392,632,431	503,176,141	253,183,226	1,792,398,191
Net assets	54,110,699	39,725,528	3,924,113	17,271,475	115,031,815
Equity					115,031,815
Contingencies and commitments	547,663,058	–	341,670,958	44,643,011	933,977,027

37. TRANSACTIONS WITH RELATED PARTIES

The Bank has related party relationships with its holding company, subsidiaries, associates, companies with common directorship, key management personnel, directors and employees' retirement benefit plans.

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions in respect of staff retirement benefits are made in accordance with actuarial valuation and terms of contribution plan. Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

Details of transactions with related parties during the period are as follows:

	31 March 2025 (Un-Audited)					
	Holding company	Directors	Key management personnel	Subsidiary companies	Associates	Retirement benefit plans
	Rupees in '000					
Balances with other banks						
In current accounts	419,356	-	-	-	187,386	-
Investments						
Opening balance	-	-	-	4,830,000	-	-
Investment made during the period	-	-	-	3,500,000	-	-
Investment redeemed / disposed off during the period	-	-	-	(3,000,000)	-	-
Closing balance	-	-	-	5,330,000	-	-
Advances						
Opening balance	-	-	331,041	56,689	6,504,983	-
Addition during the period	-	-	48,661	-	23,424,929	-
Repaid during the period	-	-	(13,342)	(56,689)	(21,830,137)	-
Closing balance	-	-	366,360	-	8,099,775	-
Other Assets						
Mark-up / return / interest receivable	-	-	-	60,979	60,761	-
Prepayments / advance deposits / other receivables	468	-	-	2,437	67,715	-
	468	-	-	63,416	128,476	-
Deposits and other accounts						
Opening balance	231,356	967,344	224,702	2,304,739	5,567,651	2,168,691
Received during the period	2,144,456	742,418	477,444	77,295,417	812,124,163	1,224,979
Withdrawn during the period	(2,082,106)	(723,257)	(438,527)	(77,567,789)	(811,381,761)	(1,454,284)
Closing balance	293,706	986,505	263,619	2,032,367	6,310,053	1,939,386
Other Liabilities						
Mark-up / return / interest payable	-	16,773	2,838	19,942	100,857	155,252
Management fee payable for technical and consultancy services *	166,085	-	-	-	-	-
Other payables	-	995	-	-	23,878	254,198
	166,085	17,768	2,838	19,942	124,735	409,450
Contingencies and commitments						
Transaction-related contingent liabilities	-	-	-	-	15,942,100	-
Trade-related contingent liabilities	-	-	-	-	8,114,431	-
	-	-	-	-	24,056,531	-

* Management fee is as per the agreement with the holding company.

31 December 2024 (Audited)

	Holding company	Directors	Key management personnel	Subsidiary companies	Associates	Retirement benefit plans	Total
	Rupees in '000						
Balances with other banks							
In current accounts	322,178	–	–	–	277,533	–	599,711
Investments							
Opening balance	–	–	–	5,530,000	–	–	5,530,000
Investment made during the year	–	–	–	20,400,000	–	–	20,400,000
Investment redeemed / disposed off during the year	–	–	–	(21,100,000)	–	–	(21,100,000)
Closing balance	–	–	–	4,830,000	–	–	4,830,000
Advances							
Opening balance	–	–	283,415	–	5,709,339	–	5,992,754
Addition during the year	–	–	124,870	3,865,202	134,111,594	–	138,101,666
Repaid during the year	–	–	(77,244)	(3,808,513)	(133,315,950)	–	(137,201,707)
Closing balance	–	–	331,041	56,689	6,504,983	–	6,892,713
Other Assets							
Mark-up / return / interest receivable	–	–	–	48,484	31,360	–	79,844
Prepayments / advance deposits / other receivables	468	–	–	–	67,006	–	67,474
	468	–	–	48,484	98,366	–	147,318
Deposits and other accounts							
Opening balance	242,044	822,094	319,529	1,522,026	25,278,888	1,421,701	29,606,282
Received during the year	19,784,319	3,140,332	1,534,947	234,317,102	2,786,954,112	6,790,530	3,052,521,342
Withdrawn during the year	(19,795,007)	(2,995,082)	(1,629,774)	(233,534,389)	(2,806,665,349)	(6,043,540)	(3,070,663,141)
Closing balance	231,356	967,344	224,702	2,304,739	5,567,651	2,168,691	11,464,483
Other Liabilities							
Mark-up / return / interest payable	–	8,566	10,616	14,866	105,119	217,415	356,582
Other payables	–	995	–	–	900	117,071	118,966
	–	9,561	10,616	14,866	106,019	334,486	475,548
Contingencies and commitments							
Transaction-related contingent liabilities	–	–	–	–	13,955,479	–	13,955,479
Trade-related contingent liabilities	–	–	–	–	6,073,667	–	6,073,667
	–	–	–	–	20,029,146	–	20,029,146

Transactions during the period

	For the period ended 31 March 2025 (Un-Audited)					
	Holding company	Directors	Key management personnel	Subsidiaries companies	Associates	Retirement benefit plans
	Rupees in '000					
Income						
Mark-up / return / interest earned	-	-	4,689	105,577	46,351	-
Fee and commission income	-	42	-	281	184,883	6
Rent income	1,404	-	-	4,684	2,585	-
Expense						
Mark-up / return / interest expensed	-	18,295	7,190	32,606	119,600	291,791
Commission / brokerage / bank charges paid	310	-	-	699	897	-
Salaries and allowances	-	-	267,649	-	-	-
Directors' fees and allowances	-	5,900	-	-	-	-
Charge to defined benefit plan	-	-	-	-	-	90,955
Contribution to defined contribution plan	-	-	-	-	-	107,751
Insurance premium expenses	-	-	-	-	35,727	-
Management fee expense for technical and consultancy services *	409,005	-	-	-	-	-
Donation	-	-	-	-	-	-

* Management fee is as per the agreement with the holding company.

Transactions during the period

	For the period ended 31 March 2024 (Un-Audited)					
	Holding company	Directors	Key management personnel	Subsidiaries companies	Associates	Retirement benefit plans
	Rupees in '000					
Income						
Mark-up / return / interest earned	–	–	3,940	313,509	18,405	–
Fee and commission income	41	58	–	812	204,152	7
Rent income	1,404	–	–	3,054	2,585	–
Expenses						
Mark-up / return / interest expensed	–	19,150	13,183	51,964	919,867	56,364
Commission / brokerage / bank charges paid	54	–	–	889	717	–
Salaries and allowances	–	–	215,407	–	–	–
Directors' fees and allowances	–	6,657	–	–	–	–
Charge to defined benefit plan	–	–	–	–	–	81,936
Contribution to defined contribution plan	–	–	–	–	–	93,656
Insurance premium expenses	–	–	–	–	20,464	–
Management fee expense for technical and consultancy services *	135,902	–	–	–	–	–
Donation	–	–	–	–	480	–

* Management fee is as per the agreement with the holding company .

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	10,478,315	10,478,315
Capital Adequacy Ratio (CAR):		
Eligible common equity tier 1 (CET 1) Capital	101,230,652	99,689,869
Eligible additional tier 1 (ADT 1) Capital	—	—
Total eligible tier 1 capital	101,230,652	99,689,869
Eligible tier 2 capital	15,606,147	17,619,301
Total eligible capital (tier 1 + tier 2)	116,836,799	117,309,170
Risk Weighted Assets (RWAs):		
Credit risk	553,437,784	455,454,722
Market risk	7,894,128	8,395,647
Operational risk	144,429,169	144,429,169
Total	705,761,081	608,279,538
CET 1 capital adequacy ratio (in %)	14.34%	16.39%
Tier 1 capital adequacy ratio (in %)	14.34%	16.39%
Total capital adequacy ratio (in %)	16.55%	19.29%
Minimum capital requirements prescribed by SBP		
CET 1 capital adequacy ratio (in %)	6.00%	6.00%
Tier 1 capital adequacy ratio (in %)	7.50%	7.50%
Total capital adequacy ratio (in %)	11.50%	11.50%
Banks uses simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation.		
Leverage Ratio (LR):		
Eligible tier-1 capital	101,230,652	99,689,869
Total exposures	2,059,569,624	1,943,057,316
Leverage ratio (in %)	4.92%	5.13%
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	514,340,849	719,857,270
Total net cash outflow	358,888,708	330,851,160
Liquidity coverage ratio (in %)	143%	218%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	993,662,567	955,276,822
Total required stable funding	608,652,942	538,749,940
Net stable funding ratio (in %)	163%	177%

39. ISLAMIC BANKING BUSINESS

The bank is operating 223 (31 December 2024: 223) Islamic banking branches and 190 (31 December 2024: 190) Islamic banking windows at the end of the period.

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		20,937,886	14,936,606
Balances with other banks		42,061	34,919
Due from financial institutions		–	–
Investments	39.1	139,367,460	147,020,502
Islamic financing and related assets - net	39.2	182,040,042	90,345,521
Property and equipment		777,545	800,502
Right-of-use assets		3,034,801	3,055,711
Intangible assets		–	–
Due from Head Office		–	5,167,862
Other assets		13,883,340	9,093,078
Total Assets		360,083,135	270,454,701
LIABILITIES			
Bills payable		5,098,205	6,374,863
Due to financial institutions		78,521,176	28,894,549
Deposits and other accounts	39.3	234,789,524	205,395,048
Due to Head Office		14,296,239	–
Lease liabilities		3,725,810	3,696,838
Subordinated debt		–	–
Other liabilities		8,888,777	8,821,928
		345,319,731	253,183,226
NET ASSETS		14,763,404	17,271,475
REPRESENTED BY			
Islamic Banking Fund		11,007,004	11,006,964
Reserves		–	–
Surplus on revaluation of assets		2,299,764	3,390,215
Unappropriated profit	39.4	1,456,636	2,874,296
		14,763,404	17,271,475
CONTINGENCIES AND COMMITMENTS			
	39.5		

The profit and loss account of the Bank's Islamic banking branches for the period ended 31 March 2025 is as follows:

	Note	(Un-Audited)	
		31 March 2025	31 March 2024
		Rupees in '000	
PROFIT AND LOSS ACCOUNT			
Profit / return earned	39.6	8,700,500	8,873,413
Profit / return expensed	39.7	(3,886,050)	(5,396,301)
Net Profit / return		4,814,450	3,477,112
Other income			
Fee and Commission Income		335,623	210,429
Dividend Income		-	-
Foreign Exchange Income		46,877	30,396
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		97,975	(81,303)
Other Income		30,338	3,702
Total other income		510,813	163,224
Total Income		5,325,263	3,640,336
Other expenses			
Operating expenses		2,482,964	1,355,384
Workers' welfare fund		-	-
Other charges		5	100
Total other expenses		2,482,969	1,355,484
Profit before credit loss allowance		2,842,294	2,284,852
Credit loss allowance and write offs - net		324,305	550,795
Profit before taxation		3,166,599	2,835,647
Taxation		(1,709,963)	(1,389,467)
Profit after taxation		1,456,636	1,446,180

39.1 Investments by segments

31 March 2025 (Un-Audited)

	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	Rupees in '000			
Debt Instruments				
Measured at amortised cost				
Federal government securities				
– Ijarah Sukuk	2,976,497	–	–	2,976,497
– Certificate of investment	3,500,000	(50)	–	3,499,950
	6,476,497	(50)	–	6,476,447
Measured at FVOCI				
Federal government securities	122,761,550	–	2,511,951	125,273,501
– Ijarah Sukuk	6,660,756	(340,000)	(212,187)	6,108,569
Non Government Debt Securities	129,422,306	(340,000)	2,299,764	131,382,070
Instruments classified / measured at FVTPL	1,508,943	–	–	1,508,943
Total investments	137,407,746	(340,050)	2,299,764	139,367,460

31 December 2024 (Audited)

	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	Rupees in '000			
Debt Instruments				
Measured at amortised cost				
Federal government securities				
– Ijarah Sukuk	2,974,050	–	–	2,974,050
– Certificate of investment	3,000,000	(52)	–	2,999,948
	5,974,050	(52)	–	5,973,998
Measured at FVOCI				
Federal government securities	125,750,660	–	3,545,698	129,296,358
– Ijarah Sukuk	6,683,993	(340,000)	(235,423)	6,108,570
Non Government Debt Securities	132,434,653	(340,000)	3,310,275	135,404,928
Instruments mandatory classified / measured at FVTPL	5,561,635	–	79,941	5,641,576
Total investments	143,970,338	(340,052)	3,390,216	147,020,502

39.2 Islamic financing and related assets - net

31 March 2025 (Un-Audited)				
	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	516,467	668,777	-	1,185,244
Ijarah - islamic long term financing facility	10,451	-	-	10,451
Murabaha	4,919,105	2,105,229	-	7,024,334
Working capital musharaka	98,364,017	-	-	98,364,017
Diminishing musharaka	20,889,143	3,553,976	-	24,443,119
Istisna	4,720,382	7,557,381	2,159,442	14,437,205
Al-bai	1,331,035	-	4,236,127	5,567,162
Diminishing musharaka:				
Islamic long term financing facility	3,141,525	-	-	3,141,525
Islamic refinance scheme for payment of wages and salaries	-	93,534	-	93,534
Islamic financing facility for storage of agricultural produce	519,946	-	-	519,946
Islamic temporary economic refinance facility	8,547,280	-	-	8,547,280
Islamic financing facility for renewable energy	485,598	-	-	485,598
Islamic export refinance:				
Working capital musharaka	18,246,816	-	-	18,246,816
Istisna	1,438,352	1,910,139	170,154	3,518,645
Al-bai	974,950	-	817,552	1,792,502
Gross islamic financing and related assets	164,105,067	15,889,036	7,383,275	187,377,378
Credit loss allowance held against non-performing islamic financings				
-Stage 1	(81,017)	(17,262)	(8,040)	(106,319)
-Stage 2	(1,872,182)	(91,315)	(169,831)	(2,133,328)
-Stage 3	(3,097,689)	-	-	(3,097,689)
	(5,050,888)	(108,577)	(177,871)	(5,337,336)
Islamic financing and related assets - net of Credit loss allowance held	159,054,179	15,780,459	7,205,404	182,040,042

31 December 2024 (Audited)

	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	540,947	17,607	–	558,554
Ijarah - islamic long term financing facility	12,306	–	–	12,306
Murabaha	5,111,120	674,294	–	5,785,414
Working capital musharaka	13,745,539	–	–	13,745,539
Diminishing musharaka	20,926,138	2,060,716	–	22,986,854
Istisna	2,962,798	10,917,577	587,823	14,468,198
Al-bai	1,639,352	–	1,684,955	3,324,307
Diminishing musharaka:				
Islamic long term financing facility	3,293,757	–	–	3,293,757
Islamic refinance scheme for payment of wages and salaries	–	93,534	–	93,534
Islamic financing facility for storage of agricultural produce	522,889	–	–	522,889
Islamic temporary economic refinance facility	8,306,821	–	–	8,306,821
Islamic financing facility for renewable energy	506,756	–	–	506,756
Islamic export refinance:				
Working capital musharaka	18,146,877	–	–	18,146,877
Istisna	498,545	1,798,242	153,100	2,449,887
Al-bai	1,129,747	–	675,723	1,805,470
Gross islamic financing and related assets	77,343,592	15,561,970	3,101,601	96,007,163
Less: Credit loss allowance against Islamic financings				
-Stage 1	(103,977)	(18,873)	(6,466)	(129,316)
-Stage 2	(2,314,517)	(63,235)	(49,959)	(2,427,711)
-Stage 3	(3,104,615)	–	–	(3,104,615)
	(5,523,109)	(82,108)	(56,425)	(5,661,642)
Islamic financing and related assets - net of Credit loss allowance held	71,820,483	15,479,862	3,045,176	90,345,521

39.3 Deposits

	31 March 2025 (Un-Audited)			31 December 2024 (Audited)		
	Customers	Financial Institutions	Total	Customers	Financial Institutions	Total
	Rupees in '000					
Current deposits	101,609,803	296,423	101,906,226	103,322,951	337,309	103,660,260
Savings deposits	54,885,716	41,903,956	96,789,672	57,562,083	4,329,081	61,891,164
Term deposits	31,540,306	135,000	31,675,306	36,599,875	135,000	36,734,875
Others	4,418,320	–	4,418,320	3,108,749	–	3,108,749
	192,454,145	42,335,379	234,789,524	200,593,658	4,801,390	205,395,048

39.4 Unappropriated profit

Opening balance	2,874,296	4,720,817
Add: Islamic banking profit for the period / year	3,166,599	6,248,469
Less: Taxation	(1,709,963)	(3,374,173)
Less: Transferred to head office	(2,874,296)	(4,720,817)
Closing balance	1,456,636	2,874,296

39.5 Contingencies and commitments

Guarantees	17,101,126	18,073,842
Commitments	25,976,989	26,569,169
	43,078,115	44,643,011

39.6 Profit / return earned

Financing	4,276,610	5,002,172
Investments	4,414,064	3,860,883
Placements	9,826	10,358
	8,700,500	8,873,413

	31 March 2025	31 March 2024
	(Un-Audited)	
	Rupees in '000	
39.7 Profit / return expensed		
Deposits and other accounts	2,687,463	4,132,177
Due to financial institutions	1,087,416	1,200,151
Lease liability against right-of-use assets	111,171	63,973
	<u>3,886,050</u>	<u>5,396,301</u>

40. GENERAL

- 40.1** The figures have been rounded off to nearest thousand rupees, unless otherwise stated.
- 40.2** Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

41. NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION / DATE OF AUTHORISATION FOR ISSUE

- 41.1** The Board of Directors in its meeting held on 22 April 2025 has approved an interim cash dividend of Rs. 2.50 per share (2024: interim cash dividend of Rs. 2.50 per share).
- 41.2** These unconsolidated condensed interim financial statements were authorised for issue on 22 April 2025 by the Board of Directors of the Bank.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHSIN A. NATHANI
Director

MOHAMEDALI R. HABIB
Chairman



[Subsidiary of Habib Bank AG Zurich]

HABIB METROPOLITAN BANK LTD.

[Subsidiary of Habib Bank AG Zurich]

Consolidated Accounts for the quarter
ended 31 March 2025
(Un-audited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	96,905,844	86,903,001
Balances with other banks	8	2,459,209	6,462,022
Lendings to financial institutions	9	4,161,661	5,570,998
Investments	10	751,186,432	807,496,585
Advances	11	630,767,308	502,468,656
Property and equipment	12	17,126,071	17,196,906
Right-of-use assets	13	8,537,514	8,654,445
Intangible assets	14	484,266	552,076
Deferred tax assets		—	—
Other assets	15	103,000,534	90,279,655
Total Assets		1,614,628,839	1,525,584,344
LIABILITIES			
Bills payable	16	21,655,457	28,478,822
Borrowings	17	361,016,138	350,224,431
Deposits and other accounts	18	1,009,588,151	925,227,989
Lease liabilities	19	10,499,552	10,519,685
Sub-ordinated debts		—	—
Deferred tax liabilities	20	2,443,387	2,722,825
Other liabilities	21	88,498,974	87,517,942
Total Liabilities		1,493,701,659	1,404,691,694
NET ASSETS			
		120,927,180	120,892,650
REPRESENTED BY			
Share capital		10,478,315	10,478,315
Reserves		37,463,181	36,857,521
Surplus on revaluation of assets - net of tax	22	12,768,580	14,371,296
Unappropriated profit		55,207,105	54,342,480
		115,917,181	116,049,612
Non-controlling interest		5,009,999	4,843,038
		120,927,180	120,892,650
CONTINGENCIES AND COMMITMENTS			
	23		

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS Chief Financial Officer	KHURRAM SHAHZAD KHAN President & Chief Executive Officer	RASHID AHMED JAFER Director	MOHSIN A. NATHANI Director	MOHAMEDALI R. HABIB Chairman
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CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2025

	Note	31 March 2025	31 March 2024
		Rupees in '000	
Mark-up / return / interest earned	25	42,780,468	60,064,053
Mark-up / return / interest expensed	26	(24,704,956)	(43,263,818)
Net mark-up / interest income		18,075,512	16,800,235
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	2,851,059	2,475,835
Dividend income		269,115	207,119
Foreign exchange income		2,019,127	1,300,554
Income / (loss) from derivatives		—	—
Gain / (loss) on securities - net	28	250,722	(267,137)
Net gain / (loss) on derecognition of financial assets measured at amortised cost		—	—
Other income	29	60,945	26,342
Total non mark-up / interest income		5,450,968	3,742,713
Total Income		23,526,480	20,542,948
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	9,300,457	7,434,093
Workers' welfare fund		267,468	244,476
Other charges	31	16,580	71,777
Total non-mark-up / interest expenses		(9,584,505)	(7,750,346)
Profit before credit loss allowance		13,941,975	12,792,602
Credit loss allowance and write offs - net	32	(678,331)	(891,572)
Extra ordinary / unusual items		—	—
PROFIT BEFORE TAXATION		13,263,644	11,901,030
Taxation	33	(7,019,911)	(5,777,365)
PROFIT AFTER TAXATION		6,243,733	6,123,665
PROFIT ATTRIBUTABLE TO:			
Equity shareholders of the holding company		6,078,651	5,954,276
Non-controlling interest		165,082	169,389
		6,243,733	6,123,665
		Rupees	
Basic and diluted earnings per share	34	5.80	5.68

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS Chief Financial Officer	KHURRAM SHAHZAD KHAN President & Chief Executive Officer	RASHID AHMED JAFER Director	MOHSIN A. NATHANI Director	MOHAMEDALI R. HABIB Chairman
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CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2025

	31 March 2025	31 March 2024
	Rupees in '000	
Profit after taxation	6,243,733	6,123,665
Other comprehensive income		
Items that may be reclassified to profit and loss in subsequent periods:		
Effect of translation of net investment in an offshore branch - net of tax	308	(894)
Movement in surplus / (deficit) on revaluation of debt securities measured at FVOCI - net of tax	(1,411,706)	(137,686)
	(1,411,398)	(138,580)
Items that will not be reclassified to profit and loss in subsequent periods:		
Remeasurement loss on defined benefit obligations - net of tax	(139,543)	(51,153)
Movement in surplus / (deficit) on revaluation of equity securities measured at FVOCI - net of tax	31,055	(18,696)
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	25,925	—
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	—	—
	(82,563)	(69,849)
Total comprehensive income	4,749,772	5,915,236
Equity shareholders of the holding company	4,584,690	5,631,717
Non-controlling interest	165,082	283,519
	4,749,772	5,915,236

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHSIN A. NATHANI
Director

MOHAMEDALI R. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2025

	Reserves							Surplus / (deficit) on revaluation		Un-appropriated profit	Sub total	Non-controlling interest	Total
	Share capital	Exchange translation reserve	Share premium	Statutory reserves	Merger reserve	Special reserve	Revenue reserve	Investments	Property & equipment/ Non-banking assets				
Rupees in '000													
Balance as at 1 January 2024 (Audited)	10,478,315	11,309	2,550,985	26,999,111	31,002	340,361	1,500,000	(1,724,621)	6,369,534	47,715,963	94,271,959	4,193,391	98,465,350
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	5,954,276	5,954,276	169,389	6,123,665
Other comprehensive income - net of tax													
Effect of translation of net investment in an offshore branch - net of tax	-	(894)	-	-	-	-	-	-	-	-	(894)	-	(894)
Movement in surplus / (deficit) on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	(137,686)	-	-	(137,686)	-	(137,686)
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(51,153)	(51,153)	-	(51,153)
Movement in surplus / (deficit) on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	(59,322)	-	-	(59,322)	40,626	(18,696)
Total comprehensive income	-	(894)	-	-	-	-	-	(197,008)	-	(51,153)	(249,055)	40,626	(208,429)
Gain on sale of equity shares - FVOCI - net of tax	-	-	-	-	-	-	-	(151,789)	-	151,789	-	-	-
Transfer to statutory reserve	-	-	-	1,180,267	-	-	-	-	-	(1,180,267)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(40,491)	40,491	-	-	-
Transactions with owners, recorded directly in equity													
Final cash dividend (Rs. 5.50 per share) for the year ended 31 December 2023	-	-	-	-	-	-	-	-	-	(5,763,073)	(5,763,073)	-	(5,763,073)
Balance as at 31 March 2024 (Un-Audited)	10,478,315	10,415	2,550,985	28,179,378	31,002	340,361	1,500,000	(2,073,418)	6,329,043	46,868,026	94,214,107	4,403,406	98,617,513

	Share capital	Reserves					Surplus / (deficit) on revaluation		Un-appropriated profit	Sub total	Non-controlling interest	Total	
		Exchange translation reserve	Share premium	Statutory reserves	Merger reserve	Special reserve	Revenue reserve	Investments					Property & equipment/ Non-banking assets
Rupees in '000													
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	18,988,882	18,988,882	652,704	19,641,586
Other comprehensive income - net of tax													
Effect of translation of net investment in an offshore branch - net of tax	-	945	-	-	-	-	-	-	-	-	945	-	945
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	7,883,867	-	-	7,883,867	-	7,883,867
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	1,981,760	-	-	1,981,760	(18,937)	1,962,823
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	170,761	170,761	2,697	173,458
Movement in surplus on revaluation of non-banking asset - net of tax	-	-	-	-	-	-	-	-	769,953	-	769,953	-	769,953
Movement in surplus / (deficit) on revaluation of property & equipment - net of tax	-	-	-	-	-	-	-	-	(101,926)	-	(101,926)	-	(101,926)
Total comprehensive income	-	945	-	-	-	-	-	9,865,627	668,027	170,761	10,705,360	(16,240)	10,689,120
Gain on sale of equity shares - FVOCI - net of tax	-	-	-	-	-	-	-	(293,869)	-	293,869	-	-	-
Transfer to statutory reserve	-	-	-	4,244,435	-	-	-	-	-	(4,244,435)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(124,114)	124,114	-	-	-
Transactions with owners, recorded directly in equity													
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 31 March 2024	-	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)	-	(2,619,579)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 June 2024	-	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)	-	(2,619,579)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 September 2024	-	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)	-	(2,619,579)
Profit distribution by First Habib Modaraba (Rs. 2.10 per certificate) for the period ended 30 June 2024	-	-	-	-	-	-	-	-	-	-	-	(196,832)	(196,832)
Balance as at 31 December 2024 (Audited)	10,478,315	11,360	2,550,985	32,423,813	31,002	340,361	1,500,000	7,498,340	6,872,956	54,342,480	116,049,612	4,843,038	120,892,650

	Reserves						Surplus / (deficit) on revaluation		Un-appropriated profit	Sub total	Non-controlling interest	Total	
	Share capital	Exchange translation reserve	Share premium	Statutory reserves	Merger reserve	Special reserve	Revenue reserve	Investments					Property & equipment/ Non-banking assets
Rupees in '000													
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	6,078,651	6,078,651	165,082	6,243,733
Other comprehensive income - net of tax													
Effect of translation of net investment in an offshore branch - net of tax	-	308	-	-	-	-	-	-	-	308	-	308	
Movement in surplus / (deficit) on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	(1,411,706)	-	(1,411,706)	-	(1,411,706)	
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	26,673	-	26,673	4,382	31,055	
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(137,040)	(137,040)	(2,503)	(139,543)
Movement in surplus on revaluation of property & equipment - net of tax	-	-	-	-	-	-	-	-	25,925	-	25,925	-	25,925
Total comprehensive income	-	308	-	-	-	-	-	(1,385,033)	25,925	(137,040)	(1,495,840)	1,879	(1,493,961)
Gain on sale of equity shares - FVOCI - net of tax	-	-	-	-	-	-	-	(205,917)	-	205,917	-	-	-
Transfer to statutory reserve	-	-	-	-	-	605,352	-	-	-	(605,352)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(37,691)	37,691	-	-	-
Transactions with owners, recorded directly in equity													
Final cash dividend (Rs. 4.50 per share) for the year ended 31 December 2024	-	-	-	-	-	-	-	-	-	(4,715,242)	(4,715,242)	-	(4,715,242)
Balance as at 31 March 2025 (Un-Audited)	10,478,315	11,668	2,550,985	32,423,813	31,002	945,713	1,500,000	5,907,390	6,861,190	55,207,105	115,917,181	5,009,999	120,927,180

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHSIN A. NATHANI
Director

MOHAMEDALI R. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2025

	Note	31 March 2025	31 March 2024
		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		13,263,644	11,901,030
Less: Dividend income		(269,115)	(207,119)
		12,994,529	11,693,911
Adjustments			
Net mark-up / interest income (excluding mark up on lease liability against right-of-use assets)		(18,387,356)	–
Depreciation on property and equipment	30	671,442	562,442
Depreciation on right-of-use assets	30	384,978	373,167
Amortisation	30	69,501	42,800
Markup on lease liability against right-of-use assets	26	311,844	279,031
Credit loss allowance (excluding write offs or recoveries)	32	779,706	891,572
Gain on sale of property and equipment - net		(21,297)	(15,735)
Unrealized gain / (loss) on FVTPL securities	28	30,647	(44,166)
Provision against workers' welfare fund		267,468	244,476
Provision against compensated absences		23,819	23,716
Provision against defined benefit plan		92,437	82,867
		(15,776,811)	2,440,170
		(2,782,282)	14,134,081
(Increase) / decrease in operating assets			
Lendings to financial institutions		1,408,613	316,823
Securities classified as FVTPL		(2,746,845)	–
Advances		(129,536,677)	(23,786,105)
Other assets (excluding dividend and non-banking assets)		1,901,112	(3,438,601)
		(128,973,797)	(26,907,883)
Increase / (decrease) in operating liabilities			
Bills payable		(6,823,365)	(10,725,199)
Borrowings from financial institutions		4,351,040	(50,341,485)
Deposits and other accounts		84,360,162	73,347,923
Other liabilities (excluding current taxation)		4,205,837	(11,240,567)
		86,093,674	1,040,672
		(45,662,405)	(11,733,130)
Payment against compensated absences		(10,019)	(6,916)
Contribution to the defined benefit plan		(125,000)	–
Mark-up / Interest received		32,881,880	–
Mark-up / Interest paid		(26,335,695)	–
Income tax paid		(11,068,519)	(7,826,862)
		(50,319,758)	(19,566,908)
Net cash flow used in operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in amortized cost securities		(657,153)	(788,228)
Net Investment in securities classified as FVOCI		56,393,881	27,936,360
Dividend received		269,115	207,119
Investment in property and equipment		(611,405)	(1,129,138)
Investment in intangible assets		–	(56,760)
Proceeds from sale of property and equipment		32,097	27,672
Effect of translation of net investment in an offshore branch		308	(894)
		55,426,843	26,196,131
Net cash flow generated from investing activities			
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(4,799,838)	(5,764,049)
Payment of lease liability against right-of-use assets		(600,024)	(475,254)
		(5,399,862)	(6,239,303)
Net cash used in financing activities			
(Decrease) / increase in cash and cash equivalents		(292,777)	389,920
Cash and cash equivalents at the beginning of the period		86,852,153	111,848,372
Cash and cash equivalents at the end of the period		86,559,376	112,238,292

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS	KHURRAM SHAHZAD KHAN	RASHID AHMED JAFER	MOHSIN A. NATHANI	MOHAMEDALI R. HABIB
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2025

1. STATUS AND NATURE OF BUSINESS

The Group comprises of Habib Metropolitan Bank Limited (the holding company), Habib Metropolitan Financial Services Limited and Habib Metropolitan Modaraba Management Company (Private) Limited (wholly owned subsidiary companies) and First Habib Modaraba (managed by Habib Metropolitan Modaraba Management Company (Private) Limited) and HABIBMETRO Exchange Services (Private) Limited.

1.1 Holding Company

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on 3 August 1992, as a public limited company, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in commercial banking and related services. Its shares are listed on the Pakistan Stock Exchange. The Bank operates 551 (31 December 2024: 551) branches, including 223 (31 December 2024: 223) Islamic banking branches, an offshore branch (Karachi Export Processing Zone branch) and 1 (31 December 2024:1) sub branch in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the holding company with 51% shares in the Bank) which is incorporated in Switzerland.

1.2 Subsidiary Companies

1.2.1 Habib Metropolitan Financial Services Limited - 100% holding

Habib Metropolitan Financial Services Limited was incorporated in Pakistan on 28 September 2007 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the subsidiary company is located at 1st Floor, GPC 2, Block 5, Kehkashan, Clifton, Karachi. The subsidiary company is a corporate member of the Pakistan Stock Exchange Limited and engaged in equity brokerage services.

1.2.2 Habib Metropolitan Modaraba Management Company (Private) Limited - 100% holding

Habib Metropolitan Modaraba Management Company (Private) Limited (Modaraba management company) was incorporated in Pakistan on 01 June 2015 as a private limited under the Companies Ordinance, 1984 (now Companies Act, 2017) and Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The registered office of the subsidiary company is located at 6th Floor, HBZ Plaza, I.I. Chundrigar Road, Karachi. The Company is the Modaraba Management Company of First Habib Modaraba.

1.2.3 First Habib Modaraba - 15.43% holding

First Habib Modaraba (FHM) is a perpetual, multi-purpose modaraba having its registered office at 6th Floor, HBZ Plaza, I.I. Chundrigar Road, Karachi. It is listed on the Pakistan Stock Exchange and engaged in the business of leasing (Ijarah), Musharaka, Murabaha financing and other related business.

1.2.4 HABIBMETRO Exchange Services Limited - 100% holding

HABIBMETRO Exchange Services Limited, a wholly owned subsidiary of Habib Metropolitan Bank Limited, is incorporated in Pakistan with the objective of dealing in foreign exchange and facilitating remittances. The Company has its registered office at Ground Floor, Al-Manzoor Building, I.I. Chundrigar Road, Karachi.

2. BASIS OF PRESENTATION

- 2.1** These consolidated condensed interim financial statements comprise the financial statements of the holding company and its subsidiary companies. The financial statements of the subsidiary companies have been prepared for the same reporting period as the holding company using consistent accounting policies.

2.2 Statement of Compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification SRO 411(I)/2008 dated April 28, 2008. The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standard for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

The State Bank of Pakistan (SBP) has allowed Islamic banking institutions to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions.

The disclosures and presentation made in these consolidated condensed interim financial statements are based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the audited consolidated financial statements of the Bank for the year ended 31 December 2024.

2.3 Standards, interpretations of and amendments to published approved accounting and reporting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Group's operations.

2.4 Standards, interpretations of and amendments to published approved accounting and reporting standards that are not yet effective

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any material effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements.

Furthermore, the following standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations of and amendments to:	Effective date (annual periods beginning on or after)
Amendments to IFRS 1 First-time Adoption of International Financial Reporting	1 January 2026
Amendments to IFRS 10 Consolidated Financial Statements	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 & IFRS 7	1 January 2026
The above amendments are not expected to have any material impact on the consolidated condensed interim financial statements of the Group.	

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in preparation of these consolidated condensed interim financial statements are consistent with those as applied in the preparation of consolidated annual financial statements of the Group for the year ended December 31, 2024.

4. BASIS OF MEASUREMENT

These consolidated condensed interim financial statements have been prepared under the historical cost convention except for certain property and equipment and non banking assets acquired in satisfaction of claims which are stated at revalued amounts; certain investments and derivative contracts which have been marked to market and are carried at fair value, obligation in respect of staff retirement benefits and lease liability which have been carried at present value and right of use of assets which are initially measured at an amount equal to corresponding lease liabilities (adjusted for any lease payment and costs) and depreciated over respective lease term.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the consolidated audited financial statements for the year ended 31 December 2024.

6. FINANCIAL RISK MANAGEMENT

The financial risk management policies adopted by the Group are consistent with those disclosed in the consolidated audited financial statements for the year ended 31 December 2024.

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		15,649,839	15,338,554
Foreign currencies		1,157,347	1,462,722
		16,807,186	16,801,276
With State Bank of Pakistan in			
Local currency current accounts		54,184,126	46,257,596
Foreign currencies current account		3,029,472	2,321,162
Foreign currencies deposit accounts			
- cash reserve accounts		7,582,535	6,731,041
- deposit account - special cash reserve		13,613,092	12,058,642
		78,409,225	67,368,441
With National Bank of Pakistan in			
Local currency current accounts		1,807,063	2,670,896
Local currency deposit accounts		22,082	47,103
		1,829,145	2,717,999
National Prize Bonds		7,828	16,080
Less: Credit loss allowance held against cash and balances with treasury banks		(147,540)	(795)
Cash and balances with treasury banks - net of credit loss allowance		96,905,844	86,903,001
8. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		39,513	33,688
In deposit accounts		142,108	3,941
		181,621	37,629
Outside Pakistan			
In current accounts		2,277,908	6,425,438
Less: Credit loss allowance held against balances with other banks		(320)	(1,045)
Balances with other banks - net of credit loss allowance		2,459,209	6,462,022
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	9.3	4,162,387	5,571,000
Less: Credit loss allowance held against lendings to financial institutions		(726)	(2)
Lendings to financial institutions - net of credit loss allowance		4,161,661	5,570,998
9.1 Particulars of lendings			
In local currency - secured		-	-
In foreign currency - unsecured		4,161,661	5,570,998
		4,161,661	5,570,998

		31 March 2025 (Un-Audited)		31 December 2024 (Audited)	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
Rupees in '000					
9.2 Lendings to FIs - Particulars of credit loss allowance					
Performing	Stage 1	4,162,387	726	5,571,000	2
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		4,162,387	726	5,571,000	2

9.3 These foreign currency lendings carry mark-up rates ranging from 6.25% to 7.25% (31 December 2024: 7.00% to 7.85%) per annum and are due to mature latest by 18 August 2025 (31 December 2024: 18 February 2025).

10. INVESTMENTS

10.1 Investments by type

	31 March 2025 (Un-Audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	Rupees in '000							
FVTPL								
Federal government securities	47,531,443	-	(104,365)	47,427,078	42,055,433	-	(10,052)	42,045,381
Non-government debt securities	1,997,589	-	(3,771)	1,993,818	1,997,589	-	(9,249)	1,988,340
Mutual funds	283,367	-	41,825	325,192	3,012,532	-	119,439	3,131,971
Real estate investment trust units	1,814,314	-	1,311,577	3,125,891	1,814,314	-	1,254,365	3,068,679
	51,626,713	-	1,245,266	52,871,979	48,879,868	-	1,354,503	50,234,371
FVOCI								
Federal government securities	585,463,672	-	9,343,989	594,807,661	642,543,228	-	12,481,301	655,024,529
Shares	6,395,189	-	3,399,171	9,794,360	5,336,354	-	3,846,229	9,182,583
Non-government debt securities	9,903,189	(425,977)	(410,357)	9,066,855	9,847,355	(426,154)	(354,523)	9,066,678
	601,762,050	(425,977)	12,332,803	613,668,876	657,726,937	(426,154)	15,973,007	673,273,790
Amortised Cost								
Federal government securities	84,645,577	-	-	84,645,577	83,988,424	-	-	83,988,424
Total investments	738,034,340	(425,977)	13,578,069	751,186,432	790,595,229	(426,154)	17,327,510	807,496,585

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	

10.1.1 Investments given as collateral against repo borrowings

The market value of investments given as collateral against borrowings is as follows:

Federal government securities

Market treasury bills	23,475,243	34,402,365
Pakistan investment bonds	205,348,279	191,534,393
	<u>228,823,522</u>	<u>225,936,758</u>

10.2 Credit loss allowance for diminution in value of investments

Opening balance	426,154	307,290
Impact of reclassification on adoption of IFRS 9	—	(219,607)
Impact of ECL recognised on adoption of IFRS 9	—	578
Charge for the period / year	—	337,893
Reversal for the period / year	(177)	—
Net (reversal) / charge for the period / year	(177)	337,893
Reversal on disposal	—	—
Investment written off	—	—
Closing balance	<u>425,977</u>	<u>426,154</u>

10.3 Particulars of credit loss allowance against debt securities

		31 March 2025 (Un-Audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		Rupees in '000			
Category of classification					
Performing	Stage 1	3,000,000	2,616	3,000,000	2,791
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		423,361	423,361	423,363	423,363
		423,361	423,361	423,363	423,363
Total		3,423,361	425,977	3,423,363	426,154

10.4 The market value of federal government securities classified at amortised cost is Rs. 87,122,700 thousand (31 December 2024: 86,187,652 thousand).

11. ADVANCES

	Performing		Non Performing		Total	
	31 March 2025 (Un-Audited)	31 December 2024 (Audited)	31 March 2025 (Un-Audited)	31 December 2024 (Audited)	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000					
Loans, cash credits, running finances, etc.	358,718,531	330,110,580	19,521,310	18,633,899	378,239,841	348,744,479
Islamic financing and related assets	215,553,033	121,251,615	3,307,276	3,953,216	218,860,309	125,204,831
Bills discounted and purchased	62,088,781	56,120,237	2,667,666	2,873,698	64,756,447	58,993,935
Advances - gross	636,360,345	507,482,432	25,496,252	25,460,813	661,856,597	532,943,245
Credit loss allowance against advances						
-Stage 1	(1,456,544)	(1,450,792)	-	-	(1,456,544)	(1,450,792)
-Stage 2	(4,246,599)	(4,615,450)	-	-	(4,246,599)	(4,615,450)
-Stage 3	-	-	(25,386,146)	(24,408,347)	(25,386,146)	(24,408,347)
	(5,703,143)	(6,066,242)	(25,386,146)	(24,408,347)	(31,089,289)	(30,474,589)
Advances - net of credit loss allowance	630,657,202	501,416,190	110,106	1,052,466	630,767,308	502,468,656

11.1 Particulars of advances - gross

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
In local currency	551,301,139	415,723,896
In foreign currencies	110,555,458	117,219,349
	661,856,597	532,943,245

11.2 Advances include Rs. 25,496,252 thousand (31 December 2024: Rs. 25,460,813 thousand) which have been placed under non-performing / Stage 3 status as detailed below:

	31 March 2025 (Un-Audited)		31 December 2024 (Audited)	
	Non-performing loans	Credit loss allowance	Non-performing loans	Credit loss allowance
	Rupees in '000			
Category of classification				
Domestic				
Other asset especially mentioned	191,841	188,195	230,478	223,854
Substandard	8,180	4,621	481,869	276,615
Doubtful	} Stage 3	—	1,901,249	1,190,825
Loss		25,296,231	25,193,330	22,847,217
	25,496,252	25,386,146	25,460,813	24,408,347

11.3 Particulars of credit loss allowance against advances

	31 March 2025 (Un-Audited)			31 December 2024 (Audited)			
	Stage 3	Stage 1 & 2	Total	Specific / Stage 3	Stage 1 & 2	General	Total
	Rupees in '000						
Opening balance	24,408,347	6,066,242	30,474,589	20,033,135	–	7,325,642	27,358,777
Impact of adoption of IFRS 9 as of 1 January 2024	–	–	–	(16,819)	4,794,026	(5,963,784)	(1,186,577)
Charge for the period / year	1,223,285	788,538	2,011,823	5,877,489	4,194,437	–	10,071,926
Reversals for the period / year	(245,470)	(1,151,637)	(1,397,107)	(1,460,604)	(2,922,221)	(1,361,858)	(5,744,683)
Net charge for the period / year	977,815	(363,099)	614,716	4,416,885	1,272,216	(1,361,858)	4,327,243
Amount written off	(16)	–	(16)	(24,854)	–	–	(24,854)
Closing balance	25,386,146	5,703,143	31,089,289	24,408,347	6,066,242	–	30,474,589

11.4 Consideration of forced sales value (FSV) for the purposes of provisioning against non-performing loans

During the current period, the Bank decided to not to avail the benefit of Forced Sales Value (FSV) against non-performing loans, as available under BSD Circular No. I of 21 October 2011 issued by the SBP.

11.5 Advances - Particulars of credit loss allowance

	31 March 2025 (Un-Audited)			31 December 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000					
11.5.1 Opening balance	1,450,792	4,615,450	24,408,347	–	–	–
Impact of adoption of IFRS 9	–	–	–	2,240,046	2,553,980	20,016,316
New advances	214,988	560,862	897,835	225,618	2,848,014	309,278
Advances derecognised or repaid	(182,702)	(924,304)	(561,962)	(656,019)	(753,998)	(1,444,704)
Transfer to stage 1	–	–	–	10,281	(10,281)	–
Transfer to stage 2	(26,244)	26,244	–	(365,348)	392,759	(27,411)
Transfer to stage 3	(290)	(31,653)	31,943	(3,786)	(418,619)	422,405
	5,752	(368,851)	367,816	(789,254)	2,057,875	(740,432)
Amounts written off / charged off	–	–	(16)	–	–	(24,854)
Changes in risk parameters	–	–	293,507	–	3,595	5,157,317
Closing balance	1,456,544	4,246,599	25,069,654	1,450,792	4,615,450	24,408,347

		31 March 2025 (Un-Audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
Rupees in '000					
11.5.2 Advances - Category of classification					
Domestic					
Performing	Stage 1	548,894,503	1,456,544	442,342,520	1,450,792
Underperforming	Stage 2	87,422,968	4,246,599	65,139,912	4,615,450
Non-Performing	Stage 3				
Other assets especially mentioned		191,841	188,195	230,478	223,854
Substandard		8,180	4,621	481,869	276,615
Doubtful		-	-	1,901,249	1,190,825
Loss		25,296,231	25,193,330	22,847,217	22,717,053
		25,496,252	25,386,146	25,460,813	24,408,347
Total		661,813,723	31,089,289	532,943,245	30,474,589

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
12. PROPERTY AND EQUIPMENT			
Capital work-in-progress	12.1	604,956	646,639
Property and equipment		16,521,115	16,550,267
		17,126,071	17,196,906
12.1 Capital work-in-progress			
Civil works		365,669	265,241
Advance to suppliers	12.1.1	239,287	381,398
		604,956	646,639

12.1.1 This represents advance against renovation being carried out at various locations.

	31 March 2025	31 March 2024
	(Un-Audited)	
	Rupees in '000	
12.2 Additions to property and equipment		
The following additions have been made to property and equipment during the period:		
Capital work-in-progress additions / (transfer to property and equipment) - net	(41,683)	83,841
Property and equipment		
Furniture and fixtures	52,877	43,739
Electrical, office and computer equipment	517,546	850,178
Vehicles	4,714	35,926
Lease hold improvements	77,802	115,841
	652,939	1,045,684
Total	611,256	1,129,525

31 March 2025	31 March 2024
(Un-Audited)	
Rupees in '000	

242	244
446	384
10,112	11,309
<hr/>	<hr/>
10,800	11,937

31 March 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000	

14. INTANGIBLE ASSETS

Computer software

31 March 2025	31 March 2024
(Un-Audited)	
Rupees in '000	

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	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
15 OTHER ASSETS			
Income / mark-up / profit accrued in local currency - net		39,713,592	29,893,936
Income / mark-up / profit accrued in foreign currencies - net		476,781	397,849
Advances, deposits, advance rent and other prepayments		1,121,861	996,202
Dividend receivable		5,843	—
Non-banking assets acquired in satisfaction of claim	15.1	2,204,729	2,204,729
Branch adjustment account		11,970	—
Mark-to-market gain on forward foreign exchange contracts		1,671,610	3,974,963
Acceptances		46,225,101	42,480,848
Receivable from the SBP against encashment of government securities		8,341	23,182
Stationery and stamps on hand		369,388	339,127
Receivable from 1Link		—	2,183,238
Deferred cost on staff loans		5,906,329	4,857,532
Others		3,681,648	1,249,218
		101,397,193	88,600,824
Credit loss allowance / provision held against other assets	15.1.1	(491,770)	(416,280)
Other Assets (Net of credit loss allowance)		100,905,423	88,184,544
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	2,095,111	2,095,111
Other assets - Total		103,000,534	90,279,655
15.1 Credit loss allowance held against other assets			
Receivable against fraud and forgery		398,864	398,114
Acceptances		92,906	18,166
		491,770	416,280
15.1.1 Movement in Credit loss allowance held against other assets			
Opening balance		416,280	377,842
Impact of adoption of IFRS 9		—	88,854
Charge for the period / year		75,490	20,272
Reversal for the period / year		—	(70,688)
Net charge / (reversal) for the period / year		75,490	(50,416)
Closing balance		491,770	416,280

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
16. BILLS PAYABLE		
In Pakistan	21,556,438	28,378,790
Outside Pakistan	99,019	100,032
	21,655,457	28,478,822

17. BORROWINGS

Secured

Borrowings from the State Bank of Pakistan under:

Export refinance scheme	60,874,588	59,242,166
Long term financing facility - renewable energy scheme	2,077,827	2,177,048
Long term financing facility	14,579,102	15,438,369
Temporary economic refinance facility	18,925,029	19,682,235
Long term financing facility - for storage of agricultural produce scheme	788,266	750,064
Refinance facility for modernization of SME	191,688	219,918
Refinance facility for combating COVID-19	16,103	18,881
Refinance and credit guarantee scheme for women entrepreneurs	57,424	59,816

Repurchase agreement borrowings (Repo)

	97,510,027	97,588,497
Total secured	228,776,008	225,809,401
	326,286,035	323,397,898

Unsecured

Certificates of investment	17,687,705	13,922,552
Call borrowing	100,000	100,000
Musharaka borrowing	3,988,861	6,291,111
Overdrawn nostro accounts	12,953,537	6,512,870
Total unsecured	34,730,103	26,826,533
Total Borrowings	361,016,138	350,224,431

18. DEPOSITS AND OTHER ACCOUNTS

	31 March 2025 (Un-Audited)			31 December 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits	326,780,433	64,637,814	391,418,247	335,112,480	64,648,144	399,760,624
Savings deposits	325,274,453	15,816,143	341,090,596	291,966,864	16,914,294	308,881,158
Term deposits	98,583,913	80,265,317	178,849,230	120,803,951	47,383,383	168,187,334
Others	37,562,166	80,709	37,642,875	29,656,415	240,192	29,896,607
	788,200,965	160,799,983	949,000,948	777,539,710	129,186,013	906,725,723
Financial institutions						
Current deposits	7,062,131	1,098,779	8,160,910	3,150,604	1,510,900	4,661,504
Savings deposits	51,219,043	-	51,219,043	12,587,401	-	12,587,401
Term deposits	1,184,648	22,602	1,207,250	1,230,888	22,473	1,253,361
	59,465,822	1,121,381	60,587,203	16,968,893	1,533,373	18,502,266
	847,666,787	161,921,364	1,009,588,151	794,508,603	130,719,386	925,227,989

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
19. LEASE LIABILITIES		
Opening balance	10,519,685	9,086,176
Addition during the period / year	268,047	2,654,829
Deletion during the period / year	—	(100,550)
Lease payments including interest	(600,024)	(2,331,748)
Interest expense	311,844	1,210,978
Closing balance	<u>10,499,552</u>	<u>10,519,685</u>
19.1 Liabilities Outstanding		
Not later than one year	1,114,585	1,058,867
Later than one year and upto five years	5,257,060	5,191,901
Over five years	4,127,907	4,268,917
Total as at the period / year end	<u>10,499,552</u>	<u>10,519,685</u>
20. DEFERRED TAX LIABILITIES / (ASSETS)		
Deductible temporary differences on		
- Credit loss allowance for diminution in value of investments	(221,534)	(225,889)
- Credit loss allowance against advances	(4,046,054)	(6,016,442)
- Credit loss allowance - Others	(464,551)	(415,382)
- Accelerated tax depreciation	(451,618)	(396,350)
- Deferred liability on defined benefit plan	(66,252)	(31,287)
- (Deficit) / surplus on revaluation of investments	6,386,160	8,439,796
- Others	—	(5,613)
	<u>1,136,151</u>	<u>1,348,833</u>
Taxable temporary differences on		
Surplus on revaluation of:		
- Property and equipment	1,307,236	1,373,992
- Non-banking assets	—	—
	<u>1,307,236</u>	<u>1,373,992</u>
	<u>2,443,387</u>	<u>2,722,825</u>

	Note	31 March 2024 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
21. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		14,198,964	15,857,346
Mark-up / return / interest payable in foreign currencies		689,399	973,600
Unearned commission and income on bills discounted		1,077,867	1,016,338
Accrued expenses		2,767,198	2,782,577
Current taxation (provision less payments)		747,888	6,307,392
Acceptances		46,225,101	42,480,848
Unclaimed dividend		140,956	225,552
Dividend payable		–	15,504
Branch adjustment account		11,970	8,944
Mark-to-market loss on forward foreign exchange contracts		1,789,153	3,275,493
Provision for compensated absences		370,693	356,893
Deferred liability on defined benefit plan		258,844	121,020
Credit loss allowance against off-balance sheet obligations	21.1	296,816	353,883
Workers' welfare fund	21.2	5,220,252	4,959,413
Charity fund		1,444	458
Excise duty payable		2,257	2,920
Locker deposits		977,194	965,722
Advance against diminishing musharaka		357,693	7,693
Advance rental for ijarah		23,226	19,695
Security deposits against leases / ijarah		189,827	197,598
Sundry creditors		5,288,198	4,861,212
Deferred grant income		132,116	147,275
Withholding tax / duties		1,038,770	1,496,718
Others		6,693,148	1,083,848
		88,498,974	87,517,942

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	353,883	32,583
Impact of adoption of IFRS 9	–	519,290
Charge for the period / year	–	–
Reversal for the period / year	(57,067)	(197,990)
Net reversal for the period / year	(57,067)	(197,990)
Closing balance	296,816	353,883

21.2 Under the Workers' Welfare Ordinance 1971, the Bank is liable to pay workers' welfare fund (WWF) @ 2% of accounting profit before tax or taxable income, whichever is higher. The Bank has made full provision for WWF based on profit for the respective years.

The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of WWF were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgement may not currently be treated as conclusive. Accordingly the Bank maintains its provision in respect of WWF.

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - Debt	10.1	8,933,632	12,126,778
- Securities measured at FVOCI - Equity	10.1	3,399,171	3,846,229
- Property and Equipment		6,073,314	6,151,836
- Non-banking assets acquired in satisfaction of claims		2,095,111	2,095,111
		20,501,228	24,219,954
Less: Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - Debt		4,645,525	6,426,965
- Securities measured at FVOCI - Equity		1,740,635	2,012,831
- Property and Equipment		1,307,236	1,373,992
- Non-banking assets acquired in satisfaction of claims		-	-
		(7,693,396)	(9,813,788)
		12,807,832	14,406,166
Less: Surplus pertaining to non-controlling interest		(39,252)	(34,870)
Surplus pertaining to equity holder's share		12,768,580	14,371,296
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	156,426,329	152,625,779
Commitments	23.2	892,307,983	779,919,854
Other contingent liabilities	23.3	2,986,394	2,986,394
		1,051,720,706	935,532,027
23.1 Guarantees			
Financial guarantees		33,415,581	33,303,405
Performance guarantees		55,952,831	55,070,186
Other guarantees		67,057,917	64,252,188
		156,426,329	152,625,779
23.2 Commitments			
Documentary credits and short-term trade-related transactions:			
Letters of credit		266,748,699	229,691,020
Commitments in respect of:			
Forward foreign exchange contracts	23.2.1	623,410,267	547,663,058
Forward lendings	23.2.2	1,400,500	1,943,000
Commitments in respect of:			
Acquisition of property and equipment		748,517	622,776
		892,307,983	779,919,854

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
23.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	323,624,664	260,615,930
Sale	299,785,603	287,047,128
	623,410,267	547,663,058

23.2.2 Commitments in respect of forward lendings

The Group has made commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn, except for:

Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
Commitments in respect of syndicate financing	441,500	388,000
Commitments in respect of other financing transactions	959,000	1,555,000
	1,400,500	1,943,000

23.3 Other contingent liabilities

Claims against bank not acknowledged as debt	23.3.1	2,880,338	2,880,338
Foreign Exchange repatriation case	23.3.2	106,056	106,056
		2,986,394	2,986,394

23.3.1 These mainly represent counter claims by borrowers for damages. Based on legal advice and internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these consolidated condensed interim financial statements.

23.3.2 Foreign exchange repatriation case

While adjudicating foreign exchange repatriation cases of exporters, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has adjudicated penalty of Rs.106.056 million, arbitrarily on the holding company. The holding company had filed appeal before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgment. The Honorable High Court has dismissed the matter. Subsequently, the holding company has filed counter appeal with the Supreme Court of Pakistan.

24. DERIVATIVE FINANCIAL INSTRUMENTS

The holding company deals in derivative financial instruments namely forward foreign exchange contracts and foreign currency swaps with the principal view of hedging the risks arising from its trade business.

As per the holding company's policy, these contracts are reported on their fair value at the statement of financial position date. The gains and losses from revaluation of these contracts are included under "Foreign exchange income". Mark to market gains and losses on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

These products are offered to the holding company's customers to protect from unfavorable movements in foreign currencies. The holding company hedges such exposures in the inter-bank foreign exchange market.

These positions are reviewed on a regular basis by the holding company's Asset and Liability Committee (ALCO).

24.1 Product Analysis

		Forward foreign exchange contracts	
		31 March 2025 (Un-Audited)	31 December 2024 (Audited)
Counter Parties		Notional Principal	Mark to Market Gain / (Loss)
		Rupees in '000	
Banks			
Hedging		495,910,634	(437,475)
Other Entities			
Hedging		127,499,633	319,932
Total			
Hedging		623,410,267	(117,543)
	Note	31 March 2025	31 March 2024
		(Un-Audited)	
		Rupees in '000	
25. MARK-UP / RETURN / INTEREST EARNED			
Loans and advances		15,658,645	19,212,815
Investments	25.1	26,025,954	40,126,497
Lendings with financial institutions		1,087,683	708,076
Balances with banks		8,186	16,665
		42,780,468	60,064,053
25.1 Interest income (calculated using effective interest rate method) recognised on:			
Financial assets measured at amortised cost		2,573,655	3,380,045
Financial assets measured at fair value through P&L		1,778,786	610,318
Financial assets measured at fair value through OCI		21,673,513	36,136,134
		26,025,954	40,126,497
26. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		13,729,346	29,685,368
Borrowings		9,919,881	11,920,894
Cost of foreign currency swaps against foreign currency deposits / borrowings		743,885	1,378,525
Lease liability against right-of-use assets		311,844	279,031
		24,704,956	43,263,818
27. FEE & COMMISSION INCOME			
Branch banking customer fees		361,477	317,382
Credit related fees		11,661	12,204
Card related fees		312,513	275,289
Commission on trade		1,681,274	1,524,172
Commission on guarantees		304,504	237,568
Commission on remittances including home remittances		33,797	12,518
Commission on bancassurance		43,531	40,461
Commission on cash management		48,355	41,495
Investment Banking Fee		14,973	-
Others		38,974	14,746
		2,851,059	2,475,835

	Note	31 March 2025 (Un-Audited) Rupees in '000	31 March 2024
28. GAIN / (LOSS) ON SECURITIES - NET			
Realised	28.1	281,369	(311,303)
Unrealised - Measured at FVTPL	10.1	(30,647)	44,166
		250,722	(267,137)
28.1 Realised gain / (loss) on:			
Federal government securities - net		183,394	(311,303)
Real estate investment trust - net		97,975	-
		281,369	(311,303)
28.2 Net gain / (loss) on financial assets / liabilities measured at FVTPL:			
Designated upon initial recognition		-	-
Mandatorily measured at FVTPL		260,407	(524,000)
		260,407	(524,000)
Net gain on financial assets / liabilities measured at amortised cost		-	-
Net (loss) / gain on financial assets measured at FVOCI		(9,685)	256,863
Net gain on investments in equity instruments designated at FVOCI		-	-
		(9,685)	256,863
		250,722	(267,137)
29. OTHER INCOME			
Rent on properties		9,012	7,335
Gain on sale of fixed assets - net		21,297	15,735
Gain on sale of ijarah assets - net		30,616	3,014
Staff notice period and other recoveries		20	258
		60,945	26,342

31 March 2025 31 March 2024

(Un-Audited)

Rupees in '000

30. OPERATING EXPENSES

Total compensation expense	3,842,786	3,031,783
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Property expense

Rent & taxes	15,848	45,775
Insurance	6,322	6,421
Utilities cost	307,103	375,278
Security	357,712	256,901
Repair & maintenance	323,808	221,807
Depreciation on property and equipment	270,112	241,979
Depreciation on right-of-use assets	384,978	373,167
	1,665,883	1,521,328

Information technology expenses

Software maintenance	384,573	179,390
Hardware maintenance	108,717	107,840
Depreciation	155,151	119,511
Amortisation	69,501	42,800
Network charges	306,433	178,942
	1,024,375	628,483

Other operating expenses

Directors' fees and allowances	5,900	6,657
Fees and allowances to Shariah Board	11,090	9,018
Legal & professional charges	77,531	91,822
Outsourced services costs	132,260	87,055
Travelling & conveyance	207,071	204,019
NIFT clearing charges	38,481	24,050
Depreciation	246,179	200,952
Training & development	28,186	7,963
Postage & courier charges	48,359	49,525
Communication	55,472	40,773
Subscription	260,252	208,473
Repair & maintenance	74,346	78,568
Brokerage & commission	40,279	20,382
Stationery & printing	112,105	156,058
Marketing, advertisement & publicity	128,837	231,479
Management fee	416,998	135,902
Insurance	382,235	284,217
Donations	131,650	140,688
Auditors' Remuneration	18,628	11,222
Security	121,722	105,362
Others	229,832	158,314
	2,767,413	2,252,499
	9,300,457	7,434,093

	Note	31 March 2025 (Un-Audited)	31 March 2024
		Rupees in '000	
31. OTHER CHARGES			
Penalties imposed by the SBP		<u>16,580</u>	<u>71,777</u>
32. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
Credit loss allowance against Cash and Balances with banks		<u>146,020</u>	121,420
Credit loss allowance against lendings to financial institutions		<u>724</u>	1,424
Credit loss allowance for diminution in value of investments	10.2	<u>(177)</u>	254,536
Credit loss allowance against loans & advances	11.3	<u>614,716</u>	712,882
Credit loss allowance against other assets		<u>75,490</u>	31,435
Credit loss allowance against off balance sheet obligations		<u>(57,067)</u>	(230,125)
Recovery of written off / charged off bad debts		<u>(101,375)</u>	–
		<u>678,331</u>	<u>891,572</u>
33. TAXATION			
Current		<u>5,247,938</u>	5,184,453
Deferred		<u>1,771,973</u>	592,912
		<u>7,019,911</u>	<u>5,777,365</u>
34. BASIC AND DILUTED EARNINGS PER SHARE			
Profit attributable to equity shareholders of the holding company		<u>6,078,651</u>	<u>5,954,276</u>
		Number in '000	
Weighted average number of ordinary shares		<u>1,047,831</u>	<u>1,047,831</u>
		Rupees	
Basic and diluted earnings per share		<u>5.80</u>	<u>5.68</u>

35. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investment those classified as amortised cost, is based on quoted market price. Quoted securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

The fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings are frequently repriced.

35.1 Fair value of financial assets

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

On balance sheet financial instruments

	31 March 2025 (Un-Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial assets measured at fair value				
Investments				
Federal Government securities	80,049,500	562,185,239	–	642,234,739
Non Government debt securities	–	11,060,673	–	11,060,673
Shares - Listed companies	9,742,791	–	–	9,742,791
Mutual funds	325,192	–	–	325,192
Real estate investment trust	3,125,891	–	–	3,125,891

Financial assets - disclosed but not measured at fair value

Investments				
Federal Government securities	–	87,122,700	–	87,122,700
Shares - Unlisted companies	–	–	51,569	51,569
	<u>93,243,374</u>	<u>660,368,612</u>	<u>51,569</u>	<u>753,663,555</u>

Off-balance sheet financial instruments measured at fair value

Forward purchase of foreign exchange contracts	<u>–</u>	<u>273,993,395</u>	<u>–</u>	<u>273,993,395</u>
Forward sale of foreign exchange contracts	<u>–</u>	<u>255,914,080</u>	<u>–</u>	<u>255,914,080</u>

On balance sheet financial instruments

	31 December 2024 (Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			

Financial assets measured at fair value

Investments				
Federal Government securities	74,378,500	622,691,410	–	697,069,910
Non Government debt securities	–	11,055,018	–	11,055,018
Shares - Listed companies	9,131,014	–	–	9,131,014
Mutual funds	3,131,971	–	–	3,131,971
Real estate investment trust	3,068,679	–	–	3,068,679

Financial assets - disclosed but not measured at fair value

Investments				
Federal Government securities		86,187,652	–	86,187,652
Shares - Unlisted companies	–	–	51,569	51,569
	89,710,164	719,934,080	51,569	809,695,813

Off-balance sheet financial instruments measured at fair value

Forward purchase of foreign exchange contracts	–	257,959,904	–	257,959,904
Forward sale of foreign exchange contracts	–	290,402,624	–	290,402,624

35.2 Fair value of non-financial assets

	31 March 2025 (Un-Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Non-financial assets measured at fair value				
– Property and equipment	–	10,421,041	–	10,421,041
– Non-banking assets acquired in satisfaction of claim	–	4,299,840	–	4,299,840
	–	14,720,881	–	14,720,881

31 December 2024 (Audited)

Fair value			
Level 1	Level 2	Level 3	Total
Rupees in '000			

Non-financial assets measured at fair value

– Property and equipment	–	10,015,686	–	10,015,686
– Non-banking assets acquired in satisfaction of claim	–	4,299,840	–	4,299,840
	–	14,315,526	–	14,315,526

Valuation techniques used in determination of fair valuation of financial instruments within level 2.

Federal government debt securities	The fair value of government securities are valued using PKRV, PKFRV, PKISRV and PSX rates.
Debt securities other than federal government securities	The fair value is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuters website and PSX.
Forward contracts	The fair values are derived using forward exchange rates applicable to their respective remaining maturities.
Mutual funds	The fair value is determined based on the net asset values published at the close of each business day.

Valuation techniques used in determination of fair values of non-financial assets within level 3.

Property and equipment and non-banking assets acquired in satisfaction of claim	<p>Property and equipment and non-banking assets are valued by professionally qualified valuers. The valuation is based on their assessment of the market value of the assets. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 2 valuation based on significant non-observable inputs being the location and condition of the assets.</p> <p>The fair value is subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.</p>
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36. SEGMENT INFORMATION

36.1. Segment details with respect to business activities

	31 March 2025 (Un-Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Profit and Loss					
Net mark-up/return/profit	14,967,661	(5,377,612)	3,671,013	4,814,450	18,075,512
Inter segment revenue - net	(12,515,559)	9,385,456	3,130,103	-	-
Non mark-up / return / interest income	2,355,247	345,594	2,239,314	510,813	5,450,968
Total Income	4,807,349	4,353,438	9,040,430	5,325,263	23,526,480
Segment direct expenses	(228,498)	-	-	-	(228,498)
Inter segment expense allocation	-	(2,149,485)	(4,723,553)	(2,482,969)	(9,356,007)
Total expenses	(228,498)	(2,149,485)	(4,723,553)	(2,482,969)	(9,584,505)
Credit loss allowance	(571)	(10,128)	(991,937)	324,305	(678,331)
Profit before tax	4,578,280	2,193,825	3,324,940	3,166,599	13,263,644
Balance Sheet					
Cash and bank balances	2,423,592	24,103,741	51,857,773	20,979,947	99,365,053
Investments - net	611,818,972	-	-	139,367,460	751,186,432
Net inter segment lending	-	378,256,708	33,724,535	-	411,981,243
Lendings to financial institutions	4,161,661	-	-	-	4,161,661
Advances - performing	-	10,942,230	441,138,426	184,279,689	636,360,345
Advances - non-performing	-	2,992,169	19,406,394	3,097,689	25,496,252
Credit loss allowance against advances	-	(719,446)	(25,032,507)	(5,337,336)	(31,089,289)
Others	26,778,424	7,643,282	77,030,993	17,695,686	129,148,385
Total assets	645,182,649	423,218,684	598,125,614	360,083,135	2,026,610,082
Borrowings	241,729,545	-	89,765,417	29,521,176	361,016,138
Deposits and other accounts	-	376,615,264	398,183,363	234,789,524	1,009,588,151
Net inter segment borrowing	362,981,243	-	-	49,000,000	411,981,243
Others	9,011,573	13,465,436	68,611,330	32,009,031	123,097,370
Total liabilities	613,722,361	390,080,700	556,560,110	345,319,731	1,905,682,902
Net Assets	31,460,288	33,137,984	41,565,504	14,763,404	120,927,180
Equity					120,927,180
Contingencies and commitments	623,410,267	-	385,232,324	43,078,115	1,051,720,706

31 March 2024 (Un-Audited)

	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Profit and Loss					
Net mark-up/return/profit	32,772,119	(14,496,522)	(4,952,474)	3,477,112	16,800,235
Inter segment revenue - net	(31,681,561)	19,259,215	12,422,346	–	–
Non mark-up / return / interest income	1,491,853	247,192	1,840,444	163,224	3,742,713
Total Income	2,582,411	5,009,885	9,310,316	3,640,336	20,542,948
Segment direct expenses	(103,193)	–	–	–	(103,193)
Inter segment expense allocation	–	(1,933,221)	(4,358,448)	(1,355,484)	(7,647,153)
Total expenses	(103,193)	(1,933,221)	(4,358,448)	(1,355,484)	(7,750,346)
Credit loss allowance	19,337	(236)	(1,461,468)	550,795	(891,572)
Profit before tax	2,498,555	3,076,428	3,490,400	2,835,647	11,901,030

31 December 2024 (Audited)

	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Balance Sheet					
Cash and bank balances	6,522,567	25,145,136	46,725,795	14,971,525	93,365,023
Investments - net	660,476,083	–	–	147,020,502	807,496,585
Net inter segment lending	–	379,807,962	27,488,264	–	407,296,226
Lendings to financial institutions	5,570,998	–	–	–	5,570,998
Advances - performing	–	15,855,835	398,759,133	92,867,464	507,482,432
Advances - non-performing	–	336,133	21,984,981	3,139,699	25,460,813
Credit loss allowance against advances	–	(603,370)	(24,209,577)	(5,661,642)	(30,474,589)
Others	21,655,600	12,192,814	64,717,515	18,117,153	116,683,082
Total assets	694,225,248	432,734,510	535,466,111	270,454,701	1,932,880,570
Borrowings	232,483,335	–	88,846,547	28,894,549	350,224,431
Deposits and other accounts	–	374,480,521	345,352,420	205,395,048	925,227,989
Net inter segment borrowing	407,296,226	–	–	–	407,296,226
Others	3,687,896	18,151,910	88,505,839	18,893,629	129,239,274
Total liabilities	643,467,457	392,632,431	522,704,806	253,183,226	1,811,987,920
Net Assets	50,757,791	40,102,079	12,761,305	17,271,475	120,892,650
Equity					120,892,650
Contingencies and commitments	547,663,058	–	343,225,958	44,643,011	935,532,027

37. TRANSACTIONS WITH RELATED PARTIES

The Group has related party relationships with its ultimate parent company, associates, companies with common directorship, key management personnel, directors and employees' retirement benefit plans.

The Group enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions in respect of charge for employees' retirement benefits are made in accordance with actuarial valuation and terms of contribution plan. Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

Details of transactions with related parties during the period are as follows:

	31 March 2025 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Balances with other banks						
In current accounts	419,356	187,386	-	-	-	606,742
Advances						
Opening balance	-	6,504,983	331,041	-	-	6,836,024
Addition during the period	-	23,424,929	48,661	-	-	23,473,590
Repaid during the period	-	(21,830,137)	(13,342)	-	-	(21,843,479)
Closing balance	-	8,099,775	366,360	-	-	8,466,135
Other Assets						
Mark-up / return / interest receivable	-	60,761	-	-	-	60,761
Dividend receivable						
Prepayments / advance deposits / other receivables	468	67,715	-	-	-	68,183
	468	128,476	-	-	-	128,944
Deposits and other accounts						
Opening balance	231,356	5,396,117	224,702	967,344	2,340,225	9,159,744
Received during the period	2,144,456	812,110,810	477,444	742,418	1,238,332	816,713,460
Withdrawn during the period	(2,082,106)	(811,372,289)	(438,527)	(723,257)	(1,463,756)	(816,079,935)
Closing balance	293,706	6,134,638	263,619	986,505	2,114,801	9,793,269
Other Liabilities						
Mark-up / return / interest payable	-	97,434	2,838	16,773	158,675	275,720
Management fee payable for technical and consultancy services *	166,085	-	-	-	-	166,085
Other payables	-	23,878	-	995	254,198	279,071
	166,085	121,312	2,838	17,768	412,873	720,876
Contingencies and commitments						
Transaction-related contingent liabilities	-	15,942,100	-	-	-	15,942,100
Trade-related contingent liabilities	-	8,114,431	-	-	-	8,114,431
	-	24,056,531	-	-	-	24,056,531

* Management fee is as per the agreement with the holding company .

31 December 2024 (Audited)

	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Balances with other banks						
In current accounts	322,178	277,533	–	–	–	599,711
Advances						
Opening balance	–	5,709,339	290,151	–	–	5,999,490
Addition during the year	–	134,111,594	124,870	–	–	134,236,464
Repaid during the year	–	(133,315,950)	(83,980)	–	–	(133,399,930)
Closing balance	–	6,504,983	331,041	–	–	6,836,024
Other Assets						
Mark-up / return / interest receivable	–	31,360	–	–	–	31,360
Prepayments / advance deposits / other receivables	468	67,006	–	–	–	67,474
	468	98,366	–	–	–	98,834
Deposits and other accounts						
Opening balance	242,044	25,121,296	319,529	822,094	1,579,294	28,084,257
Received during the year	19,784,319	2,786,807,658	1,534,947	3,140,332	6,936,984	2,818,204,240
Withdrawn during the year	(19,795,007)	(2,806,532,836)	(1,629,774)	(2,995,082)	(6,176,053)	(2,837,128,752)
Closing balance	231,356	5,396,118	224,702	967,344	2,340,225	9,159,745
Other Liabilities						
Mark-up / return / interest payable	–	102,296	10,616	8,566	220,238	341,716
Management fee payable for technical and consultancy services *	–	–	–	–	–	–
Other payables	–	900	–	995	117,071	118,966
	–	103,196	10,616	9,561	337,309	460,682
Contingencies and commitments						
Transaction-related contingent liabilities	–	13,955,479	–	–	–	13,955,479
Trade-related contingent liabilities	–	6,073,667	–	–	–	6,073,667
	–	20,029,146	–	–	–	20,029,146

* Management fee is as per the agreement with the holding company .

Transactions during the period

	For the period ended 31 March 2025 (Un-Audited)				
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000				
Income					
Mark-up / return / interest earned	-	46,351	4,689	-	-
Fee and commission income	-	184,883	-	42	6
Rent income	1,404	2,585	-	-	-
Expense					
Mark-up / return / interest expensed	-	117,309	7,190	18,295	294,081
Commission / brokerage / bank charges paid	310	897	-	-	-
Salaries and allowances	-	-	279,114	-	-
Directors' fees and allowances	-	-	-	8,676	-
Charge to defined benefit plan	-	-	-	-	92,559
Contribution to defined contribution plan	-	-	-	-	110,153
Insurance premium expenses	-	35,727	-	-	-
Management fee expense for technical and consultancy services *	409,005	-	-	-	-
Donation	-	-	-	-	-

* Management fee is as per the agreement with the holding company.

Transactions during the period

	For the period ended 31 March 2024 (Un-Audited)				
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000				
Income					
Mark-up / return / interest earned	–	18,405	3,940	–	–
Fee and commission income	41	204,152	–	58	–
Rent income	1,404	2,585	–	–	–
Expenses					
Mark-up / return / interest expensed	–	914,314	13,183	19,150	61,917
Commission / brokerage / bank charges paid	54	717	–	–	–
Salaries and allowances	–	–	255,718	–	–
Directors' fees and allowances	–	–	–	6,657	–
Charge to defined benefit plan	–	–	–	–	83,162
Contribution to defined contribution plan	–	–	–	–	94,805
Insurance premium expenses	–	20,464	–	–	–
Management fee expense for technical and consultancy services *	135,902	–	–	–	–
Donation	–	480	–	–	–

* Management fee is as per the agreement with the holding company.

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	10,478,315	10,478,315
Capital Adequacy Ratio (CAR):		
Eligible common equity tier 1 (CET 1) Capital	102,467,504	100,906,644
Eligible additional tier 1 (ADT 1) Capital	50,793	51,609
Total eligible tier 1 capital	102,518,297	100,958,253
Eligible tier 2 capital	16,500,519	18,293,582
Total eligible capital (tier 1 + tier 2)	119,018,816	119,251,835
Risk Weighted Assets (RWAs):		
Credit risk	571,973,659	474,510,547
Market risk	8,544,512	9,158,527
Operational risk	147,822,438	147,822,438
Total	728,340,609	631,491,512
CET 1 capital adequacy ratio	14.07%	15.98%
Tier 1 capital adequacy ratio	14.08%	15.99%
Total capital adequacy ratio	16.34%	18.88%
Minimum capital requirements prescribed by SBP		
CET 1 capital adequacy ratio	6.00%	6.00%
Tier 1 capital adequacy ratio	7.50%	7.50%
Total capital adequacy ratio	11.50%	11.50%
The Group use simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation.		
Leverage Ratio (LR):		
Eligible tier-1 capital	102,518,297	100,958,253
Total exposures	2,093,372,006	1,974,617,349
Leverage ratio	4.90%	5.11%

39. ISLAMIC BANKING BUSINESS

The bank is operating 223 (31 December 2024: 223) Islamic banking branches and 190 (31 December 2024: 190) Islamic banking windows at the end of the period.

	Note	31 March 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		20,937,886	14,936,606
Balances with other banks		42,061	34,919
Due from financial institutions		–	–
Investments	39.1	139,367,460	147,020,502
Islamic financing and related assets – net	39.2	182,040,042	90,345,521
Property and equipment		777,545	800,502
Right-of-use assets		3,034,801	3,055,711
Intangible assets		–	–
Due from Head Office		–	5,167,862
Other assets		13,883,342	9,093,078
Total Assets		360,083,137	270,454,701
LIABILITIES			
Bills payable		5,098,205	6,374,863
Due to financial institutions		78,521,176	28,894,549
Deposits and other accounts	39.3	234,789,524	205,395,048
Due to Head Office		14,296,239	–
Lease liabilities		3,725,810	3,696,838
Subordinated debt		–	–
Other liabilities		8,888,779	8,821,928
		345,319,733	253,183,226
NET ASSETS		14,763,404	17,271,475
REPRESENTED BY			
Islamic Banking Fund		11,007,004	11,006,964
Reserves		–	–
Surplus on revaluation of assets		2,299,764	3,390,215
Unappropriated profit	39.4	1,456,636	2,874,296
		14,763,404	17,271,475
CONTINGENCIES AND COMMITMENTS			
	39.5		

The profit and loss account of the Bank's Islamic banking branches for the period ended 31 March 2025 is as follows:

	Note	31 March 2025 (Un-Audited)	31 March 2024 (Un-Audited)
		Rupees in '000	
PROFIT AND LOSS ACCOUNT			
Profit / return earned	39.6	8,700,500	8,873,413
Profit / return expensed	39.7	(3,886,050)	(5,396,301)
Net Profit / return		4,814,450	3,477,112
Other income			
Fee and Commission Income		335,623	210,429
Dividend Income		–	–
Foreign Exchange Income		46,877	30,396
Income / (loss) from derivatives		–	–
Gain / (loss) on securities		97,975	(81,303)
Other Income		30,338	3,702
Total other income		510,813	163,224
Total Income		5,325,263	3,640,336
Other expenses			
Operating expenses		2,482,964	1,355,384
Workers' welfare fund		–	–
Other charges		5	100
Total other expenses		2,482,969	1,355,484
Profit before credit loss allowance		2,842,294	2,284,852
Credit loss allowance and write offs – net		324,305	550,795
Profit before taxation		3,166,599	2,835,647
Taxation		(1,709,963)	(1,389,467)
Profit after taxation		1,456,636	1,446,180

39.1 Investments by segments

31 March 2025 (Un-Audited)

Debt Instruments

Measured at amortised cost

Federal government securities

– Ijarah Sukuk

– Certificate of investment

Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000			
2,976,497	–	–	2,976,497
3,500,000	(50)	–	3,499,950
6,476,497	(50)	–	6,476,447

Measured at FVOCI

Federal government securities

– Ijarah Sukuk

Non Government Debt Securities

122,761,550	–	2,511,951	125,273,501
6,660,756	(340,000)	(212,187)	6,108,569
129,422,306	(340,000)	2,299,764	131,382,070

Instruments classified / measured at FVTPL

1,508,943	–	–	1,508,943
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Total investments

137,407,746	(340,050)	2,299,764	139,367,460
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31 December 2024 (Audited)

Debt Instruments

Measured at amortised cost

Federal government securities

– Ijarah Sukuk

– Certificate of investment

Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000			
2,974,050	–	–	2,974,050
3,000,000	(52)	–	2,999,948
5,974,050	(52)	–	5,973,998

Measured at FVOCI

Federal government securities

– Ijarah Sukuk

Non Government Debt Securities

125,750,660	–	3,545,698	129,296,358
6,683,993	(340,000)	(235,423)	6,108,570
132,434,653	(340,000)	3,310,275	135,404,928

Instruments mandatory classified / measured at FVTPL

5,561,635	–	79,941	5,641,576
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Total investments

143,970,338	(340,052)	3,390,216	147,020,502
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39.2 Islamic financing and related assets - net

	31 March 2025 (Un-Audited)			
	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	516,467	668,777	-	1,185,244
Ijarah - islamic long term financing facility	10,451	-	-	10,451
Murabaha	4,919,105	2,105,229	-	7,024,334
Working capital musharaka	98,364,017	-	-	98,364,017
Diminishing musharaka	20,889,143	3,553,976	-	24,443,119
Istisna	4,720,382	7,557,381	2,159,442	14,437,205
Al-bai	1,331,035	-	4,236,127	5,567,162
Diminishing musharaka:				
Islamic long term financing facility	3,141,525	-	-	3,141,525
Islamic refinance scheme for payment of wages and salaries	-	93,534	-	93,534
Islamic financing facility for storage of agricultural produce	519,946	-	-	519,946
Islamic temporary economic refinance facility	8,547,280	-	-	8,547,280
Islamic financing facility for renewable energy	485,598	-	-	485,598
Islamic export refinance:				
Working capital musharaka	18,246,816	-	-	18,246,816
Istisna	1,438,352	1,910,139	170,154	3,518,645
Al-bai	974,950	-	817,552	1,792,502
Gross islamic financing and related assets	164,105,067	15,889,036	7,383,275	187,377,378
Credit loss allowance held against non-performing islamic financings				
-Stage 1	(81,017)	(17,262)	(8,040)	(106,319)
-Stage 2	(1,872,182)	(91,315)	(169,831)	(2,133,328)
-Stage 3	(3,097,689)	-	-	(3,097,689)
	(5,050,888)	(108,577)	(177,871)	(5,337,336)
Islamic financing and related assets - net of Credit loss allowance held	159,054,179	15,780,459	7,205,404	182,040,042

31 December 2024 (Audited)

	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	540,947	17,607	–	558,554
Ijarah - islamic long term financing facility	12,306	–	–	12,306
Murabaha	5,111,120	674,294	–	5,785,414
Working capital musharaka	13,745,539	–	–	13,745,539
Diminishing musharaka	20,926,138	2,060,716	–	22,986,854
Istisna	2,962,798	10,917,577	587,823	14,468,198
Al-bai	1,639,352	–	1,684,955	3,324,307
Diminishing musharaka:				
Islamic long term financing facility	3,293,757	–	–	3,293,757
Islamic refinance scheme for payment of wages and salaries	–	93,534	–	93,534
Islamic financing facility for storage of agricultural produce	522,889	–	–	522,889
Islamic temporary economic refinance facility	8,306,821	–	–	8,306,821
Islamic financing facility for renewable energy	506,756	–	–	506,756
Islamic export refinance:				
Working capital musharaka	18,146,877	–	–	18,146,877
Istisna	498,545	1,798,242	153,100	2,449,887
Al-bai	1,129,747	–	675,723	1,805,470
Gross islamic financing and related assets	77,343,592	15,561,970	3,101,601	96,007,163
Less: Credit loss allowance against Islamic financings				
-Stage 1	(103,977)	(18,873)	(6,466)	(129,316)
-Stage 2	(2,314,517)	(63,235)	(49,959)	(2,427,711)
-Stage 3	(3,104,615)	–	–	(3,104,615)
	(5,523,109)	(82,108)	(56,425)	(5,661,642)
Islamic financing and related assets - net of Credit loss allowance held	71,820,483	15,479,862	3,045,176	90,345,521

39.3 Deposits

	31 March 2025 (Un-Audited)			31 December 2024 (Audited)		
	Customers	Financial Institutions	Total	Customers	Financial Institutions	Total
	Rupees in '000					
Current deposits	101,609,803	296,423	101,906,226	103,322,951	337,309	103,660,260
Savings deposits	54,885,716	41,903,956	96,789,672	57,562,083	4,329,081	61,891,164
Term deposits	31,540,306	135,000	31,675,306	36,599,875	135,000	36,734,875
Others	4,418,320	–	4,418,320	3,108,749	–	3,108,749
	<u>192,454,145</u>	<u>42,335,379</u>	<u>234,789,524</u>	<u>200,593,658</u>	<u>4,801,390</u>	<u>205,395,048</u>

39.4 Unappropriated profit

Opening balance	2,874,296	4,720,817
Add: Islamic banking profit for the period / year	3,166,599	6,248,469
Less: Taxation	(1,709,963)	(3,374,173)
Less: Transferred to head office	(2,874,296)	(4,720,817)
Closing balance	<u>1,456,636</u>	<u>2,874,296</u>

39.5 Contingencies and commitments

Guarantees	17,101,126	18,073,842
Commitments	25,976,989	26,569,169
	<u>43,078,115</u>	<u>44,643,011</u>

39.6 Profit / return earned

Financing	4,276,610	5,002,172
Investments	4,414,064	3,860,883
Placements	9,826	10,358
	<u>8,700,500</u>	<u>8,873,413</u>

31 March 2025
(Un-Audited)
Rupees in '000

39.7 Profit / return expensed

Deposits and other accounts	2,687,463	4,132,177
Due to financial institutions	1,087,416	1,200,151
Lease liability against right-of-use assets	111,171	63,973
	<u>3,886,050</u>	<u>5,396,301</u>

40. GENERAL

40.1 The figures have been rounded off to nearest thousand rupees, unless otherwise stated.

40.2 Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation. However, no major reclassification have been made.

41. NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION / DATE OF AUTHORISATION FOR ISSUE

41.1 The Board of Directors in its meeting held on 22 April 2025 has approved an interim cash dividend of Rs. 2.50 per share (2024: interim cash dividend of Rs. 2.50 per share)

41.2 These consolidated condensed interim financial statements were authorised for issue on 22 April 2025 by the Board of Directors of the Bank.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHSIN A. NATHANI
Director

MOHAMEDALI R. HABIB
Chairman

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